

EXHIBIT A

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

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Counsel to the Plan Administrator

In re:

20230930-DK-BUTTERFLY-1, INC. f/k/a Bed Bath &
Beyond, Inc., *et.al.*,¹

Debtors.

MICHAEL GOLDBERG, as Plan Administrator for
20230930-DK-BUTTERFLY-1, INC. f/k/a Bed Bath &
Beyond, Inc.,

Plaintiff,

v.

INTERNAL REVENUE SERVICE, an agency of the
United States of America,

Defendant.

Chapter 11

Case No. 23-13359 (VFP)

(Jointly Administered)

Adversary Proceeding No. 24-01533 (VFP)

¹ The last four digits of Debtor Bed Bath & Beyond, Inc.'s tax identification number are 0488. A complete list of the Debtors in these chapter 11 cases and each such Debtor's tax identification number may be obtained on the website of the Debtor's claims and noticing agent at <https://restructuring.ra.kroll.com/bbby/>.

AMENDED COMPLAINT

Michael Goldberg, in his capacity as Plan Administrator (the “Plan Administrator” or “Plaintiff”) for 20230930-DK-Butterfly-1, Inc. f/k/a Bed Bath and Beyond, Inc.² and affiliated debtors (the “Debtors”), by and through undersigned counsel, files this amended adversary complaint against Defendant, Internal Revenue Service (the “IRS”), an agency of the United States of America, and alleges as follows:

Nature of the Action

1. The Plan Administrator brings this action on behalf of Debtors against Defendant to recover the overpayment of federal income tax plus accrued interest thereon that has been retained by Defendant under the Internal Revenue Code of 1986, as amended from time to time (the “IRC”). The Plan Administrator asserts various theories of recovery, including improper denial of the Debtors' claims for refund, turnover of property, unjust enrichment, and declaratory relief.

The Parties

2. The Plan Administrator is the sole representative of the Debtors and assumed responsibility for collecting assets of the bankruptcy estate, as more fully set forth in the Debtors' confirmed Chapter 11 Plan as discussed below.

3. Defendant, IRS, is an agency of the United States of America.

Jurisdiction and Venue

4. The Court has jurisdiction to consider this matter under 28 U.S.C. §§ 157 and 1334, and 11 U.S.C. § 505(a).

² Pursuant to the Certificate of Amendment of the Certificate of Incorporation of Bed Bath & Beyond, Inc. which was filed with the State of New York Department of State on September 21, 2023, the name of the entity formerly known as “Bed Bath & Beyond, Inc.” was changed to 20230930-DK-Butterfly, Inc.

5. This is a core proceeding under 28 U.S.C. § 157(b).
6. Venue of these chapter 11 cases and this adversary proceeding in this district and before this Court is proper under 28 U.S.C. §§ 1408 and 1409.
7. The statutory and legal predicates for relief requested by this Complaint are sections 105, 505, 541, and 542 of title 11, United States Code (the “Bankruptcy Code”) and Federal Rules of Bankruptcy Procedure 7001, *et. seq.*

Factual Background

A. General Case Background

8. On April 23, 2023, (the “Petition Date”), each of the Debtors commenced with this Court voluntary cases under chapter 11 of the Bankruptcy Code. The Debtors continued to operate their businesses and manage their assets as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code until the Effective Date of the Plan (each, as defined below). No trustee or examiner has been appointed in this case.
9. On September 14, 2023 (the “Confirmation Date”), the Court entered the *Findings of Fact, Conclusions of Law, and Order (I) Approving the Disclosure Statement on a Final Basis and (II) Confirming the Second Amended Joint Chapter 11 Plan of Bed Bath & Beyond Inc. and its Debtor Affiliates* [Doc. 2172] (the “Confirmation Order”), confirming the *Second Amended Joint Chapter 11 Plan of Bed Bath & Beyond Inc. and Its Debtor Affiliates* [Doc. 2160] (as amended, the “Plan”).
10. On September 29, 2023, the effective date of the Plan occurred (the “Effective Date”). *See* Docket No. 2311. On the Effective Date, the Plan Administrator became the sole representative of the Debtors and assumed responsibility for, *inter alia*, investigating, prosecuting

and compromising any and all of the Debtors' claims and causes of action. *See, e.g.*, Plan at Art. IV.F, VII.A.

B. BBB's Original Tax Returns and Refund Claims Filed With IRS

11. Prior to the commencement of these bankruptcy cases, the Debtor formerly known as Bed Bath & Beyond, Inc. ("BBB") was a leading retailer that operated retail stores and e-commerce websites throughout the United States.

12. BBB timely filed Form 1120, *U.S. Corporation Income Tax Return* (the "2018 Tax Return") for its taxable period ending March 3, 2018 (the "2018 Tax Year").

13. BBB timely filed Form 1120, *U.S. Corporation Income Tax Return* (the "2019 Tax Return") for its taxable period ending March 2, 2019 (the "2019 Tax Year"). The 2018 Tax Return and 2019 Tax Return are collectively referred to as the "Original Tax Returns" and the 2018 Tax Year and 2019 Tax Year are collectively referred to as the "Tax Years".

14. On the Original Tax Returns, BBB claimed enhanced charitable contributions deductions for charitable contributions of inventory made during the Tax Years pursuant to § 170(e)(3) of the IRC. Due to the charitable contribution limitation of 10% of taxable income, BBB was not able to fully deduct the charitable contributions it made on the Original Tax Returns.

15. Prior to the Tax Years, the IRS conducted an examination of BBB's taxable year ending February 28, 2016 (the "Prior Examination"), as a result of which the IRS and BBB entered into a Memorandum of Understanding explained on Form 886-A pursuant to which the IRS allowed the charitable contribution deductions subject to certain adjustments to the enhanced valuation of BBB's charitable contributions for such taxable year.

16. As a result of the Prior Examination, the IRS reviewed BBB's current charitable contribution deduction for its 2017 taxable year and the 2018 Tax Year and made corresponding

adjustments to these returns to apply a similar valuation methodology to that agreed upon in the Prior Examination.

17. The IRS adjusted the non-cash current charitable deduction by \$12,236,189 for the 2017 taxable year, and by \$10,130,982 for the 2018 Tax Year. The IRS made no further adjustments to BBB's current charitable contributions for these periods.

18. On December 15, 2022, BBB timely filed Form 1120X, *Amended U.S. Corporation Income Tax Return*, for the 2018 Tax Year, representing BBB's refund claim for that period (the "2018 Refund Claim").

19. On Form 1125-A (Cost of Goods Sold) attached to its 2018 Refund Claim, BBB did not adjust its beginning inventory of \$2,800,263,882 or its purchases of \$9,077,421,012. The only change reported by BBB was the adjustment of other costs from (\$1,566,227,422) to (\$1,481,069,902), which resulted in an increase in the cost of goods sold in the amount of \$85,157,520, reflecting the cost basis of donated inventory.

20. The 2018 Tax Return and the 2018 Refund Claim confirm that the opening inventory was \$2,800,263,882 and the inventory at the end of the year was \$2,700,252,851.

21. Thus, as is evident from Form 1125-A, BBB disposed (either by sale or donation) of substantially all of its inventory purchases during the 2018 Tax Year.

22. The 2018 Refund Claim made a corresponding reduction of the charitable contribution deduction in the amount of \$8,275,882.

23. The 2018 Refund Claim sought a refund of overpaid income tax in the amount of \$13,637,620, plus accrued interest (the "2018 Refund").

24. On May 25, 2023, BBB timely filed Form 1120X, *Amended U.S. Corporation Income Tax Return*, for the 2019 Tax Year, representing BBB's refund claim for that period (the

“2019 Refund Claim”). The 2018 Refund Claim and 2019 Refund Claim are collectively referred to herein as the “Refund Claims” and are annexed hereto as Exhibit A and Exhibit B, respectively.

25. On the Form 1125-A attached to its 2019 Refund Claim, BBB did not adjust its beginning inventory of \$2,700,252,851 or its purchases of \$8,719,431,862. The only change reported by BBB was the adjustment of other costs from (\$1,202,530,517) to (\$1,182,570,246), which resulted in an increase in the cost of goods sold in the amount of \$19,960,271, reflecting the cost basis of donated inventory.

26. The 2019 Tax Return and the 2019 Refund Claim confirm that the opening inventory was \$2,700,252,851 and the inventory at the end of the year was \$2,512,666,849.

27. Thus, as is evident from Form 1125-A, BBB disposed (either by sale or donation) of substantially all of its inventory purchases during the 2019 Tax Year.

28. The 2019 Refund Claim sought refund of overpaid income tax in the amount of \$9,352,953, plus accrued interest (the “2019 Refund” and, together with the 2018 Tax Refund, the “Refunds”).

29. The Refund Claims were filed to reduce the charitable contributions for donated inventory as a result of the application of Section 170(e)(1) of the IRC and Reg. §1.170A-1 instead of the enhanced deduction reported pursuant to Section 170(e)(3) of the IRC on the Original Tax Returns.

30. The Refund Claims otherwise conformed to the valuation agreed upon between BBB and the IRS in the Prior Examination.

31. The Refund Claims state, in relevant part:

The taxpayer is relying on Notice 2008-90 guidance that permits a taxpayer who makes donations during a taxable year, that qualify for the enhanced

deduction under IRC Sec 170(e)(3), to elect³ whether to apply to some or all of such donations made during a taxable year, the special rules pursuant to IRC Sec. 170(e)(3) and the regulations thereunder (Treas. Reg. § 1.170A-4A) or, alternatively, apply the “general section 170 rules” in Treas. Reg. § 1.170A-1(c)(4) **so that costs incurred in the year of contribution with respect to donated property**, remain embedded in [cost of goods sold (COGS)] (thereby increasing the COGS deduction and reducing income) and would be deductible under IRC §162. (Emphasis added).

32. The Refund Claims set forth the grounds for which the Refunds were claimed and the facts that support them.

33. The IRS issued two notices of disallowance dated March 26, 2024 (the “Notices of Disallowance”), disallowing the Refund Claims in full. Copies of the Notices of Disallowance are attached hereto and incorporated herein as Exhibit C.

C. Section 170(e)(1), Section 170(e)(3) and the Regulations

34. Section 170 of the IRC generally permits a taxpayer to deduct any charitable contribution made within the taxable year, subject to certain restrictions.

35. One such restriction is Section 170(e)(1), which generally provides that the amount of any charitable contribution of ordinary income property must be reduced by the amount of ordinary gain which would have been recognized if the property contributed had been sold at its fair market value.

36. Thus, Section 170(e)(1) applies to ensure that the deduction for charitable contributions of inventory is limited, generally to the taxpayer’s basis in the property.

37. Section 170(e)(3) of the Internal Revenue Code, however, provides an exception to the exception, and is commonly referred to as the “enhanced deduction.”

³ Plaintiff’s use of this verb, “elect,” should not be construed as an admission or concession that the Refund Claims constitute an “election” or are subject to the “doctrine of election” as Defendant suggests. Similarly, the use of the phrase “deduction” after COGS is imprecise as COGS is an above-the-line adjustment to gross receipts to arrive at gross income before deductions are applied to arrive at taxable income.

38. If a contribution qualifies under Section 170(e)(3), a taxpayer may enhance its deduction. In other words, Section 170(e)(3) operates to permit the taxpayer to claim a higher deduction than would otherwise be permitted under Section 170(e)(1).

39. If Section 170(e)(3) applies, and a taxpayer claims an enhanced deduction, Treas. Reg. § 1.170A-4A(c)(3) requires the taxpayer to make a corresponding decrease in its cost of goods sold, notwithstanding the rules of Reg. § 1.170A-1(c)(4). This prevents a taxpayer from receiving a double benefit. In other words, this prevents the taxpayer from claiming a charitable contribution deduction and also receiving an above-the-line reduction from the cost of goods sold attributed to the donated inventory.

40. Reg. § 1.170A-1(c)(4) provides, in relevant part:

Any such costs and expenses which are treated as part of cost of goods sold for the year of contribution, and any such costs and expenses which are properly deducted under section 162 or other section of the Code, are not to be treated under any section of the Code as resulting in any basis for the contributed property. Thus, for example, *the contributed property has no basis for purposes of determining under section 170(e)(1)(A) and paragraph (a) of §1.170A-4 the amount of gain which would have been recognized if such property had been sold by the donor at its fair market value at the time of its contribution.* (Emphasis added).

41. This means, in practice, that costs and expenses incurred in the year of contribution may be treated as part of COGS for the year of contribution, but those same costs may not then be treated as resulting in basis for the contributed property (which would result in another benefit, in the form of a charitable contribution deduction in the amount of BBB's basis from that same item of donated inventory).

42. Section 170(e) does not refer to the computation of the charitable contribution deduction under either Section 170(e)(1) or Section 170(e)(3) as an "election."

43. Similarly, Reg. § 1.170A-4A(c)(3), Reg. §1.170A-1(c)(4) does not refer to the charitable contribution deduction computation under either Section 170(e)(1) or Section 170(e)(3) as an “election.”

44. Section 170(e) does not require the taxpayer to demonstrate the date of purchase of each specific item of inventory contributed for purposes of computing the charitable contribution deduction under either Section 170(e)(1) or Section 170(e)(3).

45. Similarly, neither Reg. § 1.170A-4A(c)(3) nor Reg. §1.170A-1(c)(4) requires a taxpayer to demonstrate the date of purchase of each specific item of inventory contributed for purposes of computing the charitable contribution deduction under either Section 170(e)(1) or Section 170(e)(3).

46. Section 170(e) does not require the taxpayer to trace specific items of inventory contributed in computing the charitable contribution deduction under either Section 170(e)(1) or Section 170(e)(3).

47. Similarly, neither Reg. § 1.170A-4A(c)(3) nor Reg. §1.170A-1(c)(4) requires a taxpayer to trace its inventory contributed for purposes of computing the charitable contribution deduction under either Section 170(e)(1) or Section 170(e)(3).

48. Reg. §1.170A-4A(c)(3) and §1.170A-1(c)(4) (and Section 170(e)) operate merely to ensure that a taxpayer does not simultaneously receive a benefit (through COGS or a Section 162 deduction) and increase its basis for the same item of inventory which it can then claim as a charitable contribution deduction under Section 170(e).

49. BBB's Refund Claims result from the removal of the enhanced charitable contribution deduction computed under Section 170(e)(3), which necessitates an increase in the cost of goods sold for the cost basis of the donated inventory under Reg. § 1.170A-4A(c)(3).

50. Neither BBB's Refund Claims nor the Original Tax Returns claim a double benefit under Section 170(e); rather, the Original Tax Returns claimed an enhanced charitable contribution under Section 170(e)(3), and BBB's Refund Claims simply result in a computational adjustment after removing the enhanced charitable contribution deduction claimed.

51. The examples set forth in Reg. §1.170A-1(c)(4) are instructive. Example 1 involves a taxpayer purchasing inventory in year 1 and donating it in year 2, and the taxpayer was permitted to deduct its cost as a charitable contribution in year 2. Example 2 involves a taxpayer purchasing inventory in year 2 and including it in cost of goods sold in year 2 rather than as a charitable contribution deduction. These examples confirm that BBB's Refund Claims correctly applied and followed the regulation, by including the contributed inventory in COGS rather than as a charitable contribution deduction.

52. The IRS has not challenged BBB's use of Section 170(e)(3) on the Original Tax Returns in either of the Tax Years, nor has the IRS alleged that BBB included any amounts for which the enhanced charitable contribution deduction was claimed in its cost of goods sold.

53. BBB's Refund Claims also are in conformance with the IRS' guidance in Notice 2008-90.

54. As BBB would not receive a double benefit if the Refund Claims are allowed, Reg. §1.170A-1(c)(4) does not restrict the relief sought by BBB in this case. Rather, as a result of Reg. §1.170A-4A(c)(3), removing the enhanced deduction claimed pursuant to Section 170(e)(3) results in a corresponding adjustment to BBB's COGS in the Tax Years, as stated in the Refund Claims.

55. To the best of BBB's knowledge, and as stated in the Refund Claims, none of the inventory contributed in the 2018 Tax Year and reported under Section 170(e) of the IRC was included in cost of goods sold on the Original Tax Return for the 2018 Tax Year.

56. To the best of BBB's knowledge, and as stated in the Refund Claims, none of the inventory contributed in the 2019 Tax Year and reported under Section 170(e) of the IRC was included in costs of goods sold on the Original Tax Return for the 2019 Tax Year.

D. Notice 2008-90 and Intent of Section 170(e)

57. BBB's Refund Claims are consistent with the IRS's published guidance on the contribution of inventory property, as articulated in IRS Notice 2008-90.

58. Notice 2008-90 states, in relevant part: "For a particular qualified contribution of inventory property under § 170(e)(3) that otherwise satisfies the requirements of § 170 and the relevant regulations, the Service will not challenge a taxpayer's computation of the deductible amount and the required adjustment to cost of goods sold under either (1) § 170(e)(3) and § 1.170A-4A(c), or (2) § 170(e)(1) and § 1.170A-1(c)."

59. BBB's inventory contributions, as reported on the Original Tax Returns were "qualified contributions" under Section 170(e)(3).

60. BBB's inventory contributions, as reported on the Original Tax Returns, satisfy the requirements of Section 170 and the underlying regulations.

61. The IRS did not disallow the Refund Claims on the grounds that BBB's 2018 and 2019 inventory contributions were not "qualified contributions" under Section 170(e)(3).

62. The IRS has not suggested, at any time (including in this proceeding), that BBB's 2018 and 2019 inventory contributions were not "qualified contributions" under Section 170(e)(3).

63. The IRS did not challenge BBB's computation of its charitable contribution deduction under Section 170(e)(3), Reg. § 1.170A-4A(c) or Reg. § 1.170A-1(c)(4) for the inventory contributed in the Tax Years.

64. The IRS has not suggested, at any time (including in this proceeding), that BBB's computation of the charitable contribution deduction for the inventory contributed in the Tax Years was incorrect under Section 170(e)(3), Reg. § 1.170A-4A(c) or Reg. § 1.170A-1(c)(4).

65. Instead, the Notice of Disallowance attempts to impose an additional requirement on BBB that is not present in Section 170, Reg. § 1.170A-4A(c) or Reg. § 1.170A-1(c)(4). Such a requirement would not only be unnecessarily burdensome, contrary to IRS published guidance, *see T.D. 7807*, 1982-1 C.B. 41., but it also is not a required element of the IRC or corresponding regulations and is also not a published position of the IRS at the time of BBB's inventory contributions.

66. The IRS's denial of BBB's Refund Claims is contrary to its published position, to Reg. § 1.170A-4A(c) and to IRS Notice 2008-90.

67. The IRS's denial of BBB's Refund Claims also lacks a basis in law.

68. The IRS's denial is, therefore, arbitrary, capricious, and erroneous.

E. The Doctrine of Election Does Not Apply

69. The IRS's stated basis for the disallowance of the Refunds was that the IRS believes that BBB irrevocably elected the enhanced charitable contribution deduction under § 170(e)(3) of the IRC and cannot compute its income as reflected in the Refund Claims.

70. Nothing in the IRC, Treasury Regulations, legislative history or other guidance (including Notice 2008-90 or Chief Counsel Advice 201012061) describes or designates the alternative computations either § 170(e)(1) or § 170(e)(3) of the IRC as an "election" by the taxpayer.

71. Furthermore, nothing in the IRC, Treasury Regulations, legislative history or guidance (including Notice 2008-90 or Chief Counsel Advice 201012061) prescribes any time limit for computing the charitable contribution under either § 170(e)(1) or § 170(e)(3) of the IRC.

72. The doctrine of “election” set forth in the Notices of Disallowance is not applicable in this case.

73. The IRS's basis for denying the Refund Claims in the Notices of Disallowance does not apply to computation of charitable contributions under Section 170(e) of the IRC, as the computation does not even constitute an “election” under the IRC or Treasury Regulations.

74. The IRC and Treasury Regulations do not contain any applicable limits that would apply in this case nor do they require any specific time or manner for a taxpayer to apply Section 170(e)(1) or (e)(3).

75. Courts have consistently permitted taxpayers to file amended returns/claims for refund unless the IRC and Treasury Regulations set forth an express statutory or regulatory limit on a taxpayer's ability to do so. And, as demonstrated, neither the IRS or Treasury Regulations set forth a limit on BBB's ability to apply Section 170(e)(1) in lieu of Section 170(e)(3) for the 2018 and 2019 Tax Years.

76. Even assuming, *arguendo*, that the IRS determined that BBB could not apply Section 170(e)(1) on an amended tax return, the IRS's disallowance of the Refund Claims would nonetheless be erroneous, as BBB would nonetheless be entitled as a matter of law to full payment of the Refund Claims because BBB is permitted without election to recover the basis of the inventory through its cost of goods sold. *See, e.g., Max Sobel Wholesale Liquors v. Commissioner*, 630 F.2d 670 (9th Cir. 1980).

77. Thus, even if the basis for the denials of the Refund Claims set forth in the Notices of Disallowance were somehow valid (which, for the reasons set forth herein, it does not), BBB would nonetheless be entitled to the Refunds in full based on an adjustment of the basis recovery in BBB's cost of goods sold, which on its face is not an election.

F. BBB's Retail Procedures

78. BBB was an accrual basis taxpayer, and utilized the retail inventory method on a FIFO basis to account for its inventory for all relevant periods.

79. For multiple years prior to and including the Tax Years, BBB's retail stores experienced annual inventory turnover of approximately three times.

80. BBB had detailed store operating procedures in place for all relevant periods regarding the donation of inventory items, to ensure that all requirements and conditions were met.

81. The items BBB donated consisted of two groups of merchandise: (i) items that had been processed through the return-to-vendor ("RTV") program or as a freight claim; and (ii) "as is" merchandise placed in the sellable category that did not sell in a 14-day period. In both groups, prior to donating, the merchandise was properly removed from inventory and reclassified in another account, ensuring it was not recorded as opening inventory or costs of good sold.

82. As a result, all items processed through the RTV or Freight Claim process were removed from inventory as soon as they were deemed non-saleable as first quality merchandise, and therefore such items were never included in opening inventory even if they were still physically present in BBB stores or storage at year-end.

83. Based on the processes in place and the immediate removal from inventory once an inventory item was deemed non-saleable, the inventory that BBB donated during the Tax Years

that is the subject of this adversary proceeding was not included in cost of goods sold on the Original Tax Returns.

84. BBB's operating procedures related to the donated inventory were consistently followed in multiple years before and during the Tax Years.

85. Amounts with respect to BBB's inventory, cost of goods sold and donations of inventory were reviewed in IRS audits, reviews and/or examinations before and during the Tax Years.

86. Accordingly, BBB was permitted to apply Section 170(e)(1) in computing its charitable contributions for the Refund Claims, and the IRS's refusal to grant the Refunds is wholly erroneous, arbitrary and capricious.

87. Thus, BBB is entitled to full payment of the Refunds, plus accrued interest.

Count I
(Turnover of Property Pursuant to 11 U.S.C. § 542)

88. Plaintiff re-alleges and incorporates by reference paragraphs 1 through 87 above as if fully set forth herein.

89. Defendant is in possession, custody and control of the Refunds in an amount not less than \$22,990,573 plus accrued and unpaid interest thereon.

90. Defendant is not a custodian for the Refunds.

91. The Refunds constitute a valid and existing debt, due and owing by Defendant to the Debtors.

92. The Refunds are property of the Debtors' estates under § 541 and constitutes a debt that is matured, payable on demand, or payable on order.

93. Despite being requested to do so, Defendant has not turned over or paid the Refunds to the Plaintiff.

94. Accordingly, pursuant to § 542, Defendant should be compelled to immediately turn over and deliver to the Plaintiff the Refunds in an amount not less than \$22,990,573 or such other amount determined to be due to the Debtor by the Court.

Count II
(Unjust Enrichment)

95. Plaintiff re-alleges and incorporates by reference paragraphs 1 through 87 above as if fully set forth herein.

96. In the alternative to Count I, but without waiving any allegation with respect thereto, the Plaintiff makes the following additional allegations in support of Count II.

97. BBB conferred a benefit upon Defendant pursuant to the overpayment of tax that resulted in the Refunds, leaving Defendant in possession of amounts to which it is not entitled under any applicable fact or law.

98. BBB reasonably expected to be compensated by Defendant by return of the Refunds in accordance with applicable law.

99. Defendant's receipt of benefit without just compensation to the Debtors has unjustly enriched Defendant in an amount not less than \$22,990,573, plus accrued interest thereon.

100. Plaintiff has no adequate remedy at law to recover the Refunds.

101. Accordingly, as a result of Defendant's unjust enrichment at the Debtors' expense, Plaintiff is entitled to restitution from Defendant in an amount not less than \$22,990,573, plus accrued interest thereon.

Count III
(Declaratory Relief)

102. Plaintiff re-alleges and incorporates by reference paragraphs 1 through 87 above as if fully set forth herein.

103. An actual, present controversy exists between the Plaintiff and Defendant in that Defendant contends that the Debtors are not entitled to the Refunds based on the defense of "election" set forth in the Notices of Disallowance. Plaintiff asserts that the doctrine of election does not apply to a taxpayer's ability to apply Section 170(e)(1) or Section 170(e)(3) of the IRC.

104. Likewise, the "variance doctrine" does not bar any aspect of BBB's Refund Claims.

105. Defendant disputes the Plaintiff's contentions and that Plaintiff would be entitled to any of the relief sought in this amended complaint.

Prayer for Relief

WHEREFORE, Michael Goldberg, in his capacity as Plan Administrator respectfully requests and prays that the Court:

- i. Pursuant to Count I, enter judgment requiring Defendant to immediately turn over and deliver to Plaintiff the Refunds in an amount not less than \$22,990,573, plus any accrued interest thereon, and/or such other amount determined to be due to the Debtor by the Court;
- ii. Pursuant to Count II, enter judgment against Defendant for unjust enrichment and award Plaintiff restitution damages on account of Defendant's unjust enrichment in an amount not less than \$22,990,573, plus any accrued interest thereon;
- iii. Pursuant to Count III, for declaratory relief that the doctrine of election does not apply to BBB's computation of charitable contributions for the 2018 and 2019 Tax Years; and
- iv. Award Plaintiff prejudgment interest at the applicable statutory or otherwise legally allowed applicable rate;

- v. Award Plaintiff costs, and expenses of this suit; and
- vi. Grant the Plaintiff such other and further relief the Court deems just.

Dated: February 11, 2025

/s/ Colin R. Robinson

Bradford J. Sandler, Esq.

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Counsel to the Plan Administrator

EXHIBIT A

Please Type or Print	Name	Employer identification number
	Bed Bath & Beyond Inc. and Subsidiaries	
	Number, street, and room or suite no. If a P.O. box, see instructions.	
	650 Liberty Avenue	
	City or town, state, and ZIP code	Telephone number (optional)
	Union NJ 07083	908-688-0888

Enter name and address used on original return. If same as above, write "Same."

SAME

Internal Revenue Service Center where original return was filed efile

Fill in applicable items and use Part II on page 2 to explain any changes

Part I Income and Deductions (see instructions)		(a) As originally reported or as previously adjusted	(b) Net change - increase or (decrease) - explain in Part II	(c) Correct amount
1	Total income	4,941,062,317	-85,157,520	4,855,904,797
2	Total deductions	4,591,224,522	-8,275,882	4,582,948,640
3	Taxable income. Subtract line 2 from line 1	349,837,795	-76,881,638	272,956,157
4	Total tax	65,321,713	-13,637,620	51,684,093

Payments and Credits (see instructions)

5a	Overpayment in prior year allowed as a credit	26,110,566	0	26,110,566
b	Estimated tax payments	97,895,000	0	97,895,000
c	Refund applied for on Form 4466	0	0	0
d	Subtract line 5c from the sum of lines 5a and 5b	124,005,566	0	124,005,566
e	Tax deposited with Form 7004	0	0	0
f	Credit from Form 2439	0	0	0
g	Credit for federal tax on fuels and other refundable credits	0	0	0
6	Tax deposited or paid with (or after) the filing of the original return			0
7	Add lines 5d through 6, column (c)			124,005,566
8	Overpayment, if any, as shown on original return or as later adjusted			58,683,853
9	Subtract line 8 from line 7			65,321,713

Tax Due or Overpayment (see instructions)

10	Tax due. Subtract line 9 from line 4, column (c). If paying by check, make it payable to the "United States Treasury"	10	0
11	Overpayment. Subtract line 4, column (c), from line 9	11	13,637,620
12	Enter the amount of line 11 you want: Credited to 20 Estimated tax 0 Refunded	12	13,637,620

Sign Here	Under penalties of perjury, I declare that I have filed an original return and that I have examined this amended return, including accompanying schedules and statements, and to the best of my knowledge and belief, this amended return is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.				
	Signature of officer Toni-Anne Andriano	Date 12/15/22			
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name	Firm's EIN		Phone no.	
	Firm's address				

Part II **Explanation of Changes to Items in Part I** (Enter the line number from Part 1 for the items you are changing, and give the reason for each change. Show any computation in detail. Also, see **What To Attach** in the instructions.)

If the change is due to a net operating loss carryback, a capital loss carryback, or a general business credit carryback, see **Carryback Claims** in the instructions, and check here ☐

STATEMENT 1

13-Dec-2022 15:40:15

STATEMENT 1 - FORM 1120X, PART II, LINE 1

Bed Bath & Beyond Inc. and Subsidiaries

Year: 2017

STATEMENT 1 - FORM 1120X, PART II, LINE 1

BED BATH & BEYOND

CORPORATION INCOME TAX RETURN

EIN# [REDACTED]

FYE: 03/03/2018

See Attached

BED BATH & BEYOND
CORPORATION INCOME TAX RETURN
EIN# [REDACTED]
FYE: 03/03/2018

EXPLANATION OF AMENDED TAX RETURN CHANGES

Form 1120X, Part II – Statement 1: Explanation of Changes to Items in Part I

Form 1120X, Page 1, Line 1 – Total Income:

The reduction in total income of \$85,157,520 represents the cost of product donations that is currently deductible by Bed Bath & Beyond Inc. and Subsidiaries, (“taxpayer”) pursuant to the provisions of IRS Notice 2008-90.

On the taxpayer’s originally filed tax return, Form 1120, it generated a charitable contribution amount of \$126,725,884 pursuant to IRC §170(e)(3), the enhanced contribution deduction for its tax year end of March 3, 2018 (“FY 2017”). The taxpayer’s FY 2017 charitable contribution deduction was subject to the IRC §170(b)(2) contribution limitation based on taxable income on its originally filed Form 1120.

The taxpayer has determined that given their current economic situation, it is unlikely that the taxpayer will be able to utilize the FY 2017 charitable contribution carryovers prior to their expiration.

The taxpayer is relying on Notice 2008-90 guidance that permits a taxpayer who makes donations during a taxable year, that qualify for the enhanced deduction under IRC Sec 170(e)(3), to elect whether to apply to some or all of such donations made during a taxable year, the special rules pursuant to IRC Sec. 170(e)(3) and the regulations thereunder (Treas. Reg. § 1.170A-4A) or, alternatively, apply the “general section 170 rules” in Treas. Reg. § 1.170A-1(c)(4) so that costs incurred in the year of contribution with respect to donated property, remain embedded in COGS (thereby increasing the COGS deduction and reducing income) and would be deductible under IRC §162.

Form 1120X, Page 1, Line 2 – Total Deductions:

The reduction in total deduction in the amount of \$8,275,882 is attributable to recomputation of the taxpayer’s deductible 10% contribution limit under IRC Sec 170(b)(2) after the application of the changes to Line 1 referenced above.

Form 1120X, Page 1, Line 3:

The reduction in taxable income of \$76,881,638 is a correlative adjustment to the changes to Lines 1 and 2 referenced above

Form 1120X, Page 1, Line 4:

The reduction in tax liability of \$13,637,620 is a correlative adjustment to the changes to Lines 1 and 2 referenced above.

Form **8302**

(Rev. November 2018)

Department of the Treasury
Internal Revenue Service**Electronic Deposit of Tax Refund of \$1 Million or More**▶ Attach to your income tax return (other than Forms 1040,
1120, or 1120S), Form 1045, or Form 1139.▶ Go to www.irs.gov/Form8302 for the latest information.

OMB No. 1545-1763

Name(s) shown on income tax return

Bed Bath & Beyond Inc. and Subsidiaries

Identifying number

Name and location (city, state) of bank

JP Morgan Chase (NY, NY)

Taxpayer's phone number

908-209-3685**1 Method of deposit (one box must be checked)** ☒ Direct deposit ☐ Fedwire**2 Routing number (must be nine digits).** The first two digits must be between 01 and 12 or 21 through 32.**0 2 1 0 0 0 0 2 1****3 Account number (include hyphens but omit spaces and special symbols):****4 Type of account (one box must be checked):**☒ Checking ☐ Savings

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

File Form 8302 to request that the IRS electronically deposit a tax refund of \$1 million or more directly into an account at any U.S. bank or other financial institution (such as a mutual fund, credit union, or brokerage firm) that accepts electronic deposits.

The benefits of an electronic deposit include a faster refund, the added security of a paperless payment, and the savings of tax dollars associated with the reduced processing costs.

Who May File

Form 8302 may be filed with any tax return other than Form 1040, 1120, or 1120S to request an electronic deposit of a refund of \$1 million or more. You are not eligible to request an electronic deposit if:

- The receiving financial institution is a foreign bank or a foreign branch of a U.S. bank, or
- You have applied for an employer identification number but are filing your tax return before receiving one.

If Form 8302 is filed with Form 1045, Application for Tentative Refund, or Form 1139, Corporation Application for Tentative Refund, both of which allow for more than one year's reporting, electronic deposits may be made only for a year for which the refund is at least \$1 million.

Note: Filers of Form 1040 must request a direct deposit of refund by completing the account information on that form. Filers of Forms 1120 or 1120S must request a direct deposit of a refund using Form 8050, Direct Deposit of Corporate Tax Refund. This includes a request for a refund of \$1 million or more.

Conditions Resulting in a Refund by Check

If the IRS is unable to process this request for an electronic deposit, a refund by check will be generated. Reasons for not processing a request include:

- The name on the tax return does not match the name on the account.
- You fail to indicate the method of deposit to be used (direct deposit or Fedwire).
- The financial institution rejects the electronic deposit because of an incorrect routing or account number.
- You fail to indicate the type of account the deposit is to be made to (checking or savings).
- There is an outstanding liability the offset of which reduces the refund to less than \$1 million.
- You are subject to the Treasury Offset Program (TOP) and fail to indicate direct deposit as the method of deposit to be used.

How To File

Attach Form 8302 to the applicable return or application for refund. To ensure that your tax return is correctly

processed, see *Assembling the Return* in the instructions for the form with which the Form 8302 is filed. For Forms 1045 or 1139, attach a separate Form 8302 for each carryback year.

Specific Instructions

Identifying number. Enter the employer identification number or social security number shown on the tax return to which Form 8302 is attached.

Line 1. Direct deposit is an electronic payment alternative that uses the Automated Clearing House (ACH) system. Fedwire is a transaction-by-transaction processing system designed for items that must be received by payees the same day as originated by the IRS.

When there is a verified potential that the tax refund will be applied to a debt owed to a particular agency, a Fedwire deposit will be rejected due to the offset. To receive an electronic deposit, elect to use the direct deposit method of deposit instead of Fedwire.

Line 2. Enter the financial institution's routing number and verify that the institution will accept the type of electronic deposit requested. See the

Sample Check

ABC Corporation
123 Main Street
Anyplace, NJ 07000

PAY TO THE ORDER OF _____ \$ **1234**
DOLLARS

Routing number (line 2) **Account number (line 3)**

ANYTOWN BANK
Anytown, MD 20000

For **1:250250025 2:202020 3:86 1234**

Do not include the check number.

Note: The routing and account numbers may be in different places on your check.

1120

Form
Department of the Treasury
Internal Revenue Service

U.S. Corporation Income Tax Return

For calendar year 2017 or tax year beginning 02 26, 2017, ending 03 03, 20 18

Go to www.irs.gov/Form1120 for instructions and the latest information.

2017

A Check if:

- 1a Consolidated return (attach Form 851) ☒
- b Life/nonlife consolidated return ☐
- 2 Personal holding co. (attach Sch. PH) ☐
- 3 Personal service corp. (see instructions) ☐
- 4 Schedule M-3 attached ☒

TYPE
OR
PRINT

Name, Number, street, and room or suite no. If a P.O. box, see instructions.
City or town, state, or province, country and ZIP or foreign postal code

Bed Bath & Beyond Inc. and Subsidiaries
650 Liberty Avenue
Union NJ 07083

B Employer identification number

C Date incorporated

10 05 1971

D Total assets (see instructions)

\$ 6,903,266,975

E Check if: (1) Initial return (2) Final return (3) Name change (4) Address change

Income

Deductions

Tax, Credits, Payments, Refunds

1a	Gross receipts or sales	1a	12,468,469,392	
b	Returns and allowances	1b	0	
c	Balance. Subtract line 1b from line 1a	1c	12,468,469,392	
2	Cost of goods sold (attach Form 1125-A)	2	7,681,967,907	
3	Gross profit. Subtract line 2 from line 1c	3	4,786,501,485	
4	Dividends (Schedule C, line 19)	4	2,357,104	
5	Interest	5	17,941,906	
6	Gross rents	6	0	
7	Gross royalties	7	3,624,068	
8	Capital gain net income (attach Schedule D (Form 1120))	8	5,712,605	
9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	9	17,221	
10	Other income (see instructions-- attach statement) STATEMENT 1	10	39,750,408	
11	Total income. Add lines 3 through 10	11	4,855,904,797	
12	Compensation of officers (see instructions-- attach Form 1125-E)	12	83,132,264	
13	Salaries and wages (less employment credits)	13	1,153,148,622	
14	Repairs and maintenance	14	79,410,368	
15	Bad debts	15	-3,601,498	
16	Rents	16	525,004,656	
17	Taxes and licenses STATEMENT 2	17	295,308,340	
18	Interest	18	83,937,228	
19	Charitable contributions	19	30,718,909	
20	Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	20	237,540,570	
21	Depletion	21	0	
22	Advertising	22	488,524,950	
23	Pension, profit-sharing, etc., plans	23	48,159,137	
24	Employee benefit programs	24	187,298,536	
25	Domestic production activities deduction (attach Form 8903)	25	498,093	
26	Other deductions (attach statement) STATEMENT 3	26	1,367,698,624	
27	Total deductions. Add lines 12 through 26	27	4,576,778,799	
28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11.	28	279,125,998	
29a	Net operating loss deduction (see instructions)	29a	5,552,608	
b	Special deductions (Schedule C, line 20)	29b	617,233	
c	Add lines 29a and 29b	29c	6,169,841	
30	Taxable income. Subtract line 29c from line 28. See instructions	30	272,956,157	
31	Total tax (Schedule J, Part I, line 11)	31	51,684,093	
32	Total payments and refundable credits (Schedule J, Part II, line 21)	32	124,005,566	
33	Estimated tax penalty. See instructions. Check if Form 2220 is attached <input checked="" type="checkbox"/>	33	0	
34	Amount owed. If line 32 is smaller than the total of lines 31 and 33, enter amount owed	34	0	
35	Overpayment. If line 32 is larger than the total of lines 31 and 33, enter amount overpaid	35	72,321,473	
36	Enter amount from line 35 you want: Credited to 2018 estimated tax * 58,683,853 Refunded	36	13,637,620	

Sign
Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer Toni-Anne Andrisano

Date 2018-12-14

VP Tax
TitleMay the IRS discuss this return
with the preparer shown below
(see instructions)?☐ Yes ☐ NoPaid
Preparer
Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name				Firm's EIN
Firm's address				Phone no.

For Paperwork Reduction Act Notice, see separate instructions.

F7.00.01 US1120P1 - Form 1120 (2017)

ERF

* Inclusion of \$49,971,806 refund from previously filed Form 1139

Form 1120 (2017)

Bed Bath & Beyond Inc. and Subsidiaries

Page 2

Schedule C Dividends and Special Deductions (see instructions)		(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	881,762	70	617,233
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)	0	80	0
3	Dividends on debt-financed stock of domestic and foreign corporations	0	see instructions	0
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	0	42	0
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	0	48	0
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs	0	70	0
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs	0	80	0
8	Dividends from wholly owned foreign subsidiaries	0	100	0
9	Total. Add lines 1 through 8. See instructions for limitation			617,233
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	0	100	0
11	Dividends from affiliated group members	0	100	0
12	Dividends from certain FSCs	0	100	0
13	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12	204,124		
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)	4,950		
15	Foreign dividend gross-up	12,221		
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3	0		
17	Other dividends	1,254,047		
18	Deduction for dividends paid on certain preferred stock of public utilities			0
19	Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4	2,357,104		
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b			617,233

Form 1120 (2017)

Schedule J Tax Computation and Payment (see instructions)**Part I - Tax Computation**

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120)). See inst.	<input type="checkbox"/>	
2	Income tax. Check if a qualified personal service corporation. See instructions	<input type="checkbox"/>	89,148,511
3	Alternative minimum tax (attach Form 4626)		0
4	Add lines 2 and 3		89,148,511
5a	Foreign tax credit (attach Form 1118)	5a	2,481,515
b	Credit from Form 8834 (see instructions)	5b	0
c	General business credit (attach Form 3800)	5c	5,179,227
d	Credit for prior year minimum tax (attach Form 8827)	5d	38,499,594
e	Bond credits from Form 8912	5e	0
6	Total credits. Add lines 5a through 5e	6	46,160,336
7	Subtract line 6 from line 4	7	42,988,175
8	Personal holding company tax (attach Schedule PH (Form 1120))	8	0
9a	Recapture of investment credit (attach Form 4255)	9a	0
b	Recapture of low-income housing credit (attach Form 8611)	9b	0
c	Interest due under the look-back method-- completed long-term contracts (attach Form 8697)	9c	0
d	Interest due under the look-back method-- income forecast method (attach Form 8866)	9d	0
e	Alternative tax on qualifying shipping activities (attach Form 8902)	9e	0
f	Other (see instructions-- attach statement)	9f	0
10	Total. Add lines 9a through 9f	10	0
11	Total tax. Add lines 7, 8, and 10. Enter here and on page 1, line 31	11	51,684,093 *

Part II - Payments and Refundable Credits

* Net tax liability under Sec 965

8,695,918

12	2016 overpayment credited to 2017	12	26,110,566
13	2017 estimated tax payments	13	97,895,000
14	2017 refund applied for on Form 4466	14	(0)
15	Combine lines 12, 13, and 14	15	124,005,566
16	Tax deposited with Form 7004	16	0
17	Withholding (see instructions)	17	0
18	Total payments. Add lines 15, 16, and 17	18	124,005,566
19	Refundable credits from:		
a	Form 2439	19a	0
b	Form 4136	19b	0
c	Form 8827, line 8c	19c	0
d	Other (attach statement-- see instructions)	19d	0
20	Total credits. Add lines 19a through 19d	20	0
21	Total payments and credits. Add lines 18 and 20. Enter here and on page 1, line 32	21	124,005,566

Schedule K Other Information (see instructions)

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) _____	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. <input type="checkbox"/> 442299		
b	Business activity <input type="checkbox"/> RETAIL SALES		
c	Product or service <input type="checkbox"/> LINENS AND HOUSEWARES		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidary controlled group? If "Yes," enter name and EIN of the parent corporation _____		X
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)		X
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)		X

Schedule K Other Information (continued from page 3)

				Yes	No
5 At the end of the tax year, did the corporation:					
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851 , Affiliations Schedule? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.				X	
(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock		
SEE STATEMENT ATTACHED			0.000		
			0.000		
			0.000		
b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.				X	
(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital		
BED BATH & BEYOND MEXICO S. DE R.L. DE C.V.	98-0581587	MX	50.000		
			0.000		
			0.000		
6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? See sections 301 and 316. If "Yes," file Form 5452 , Corporate Report of Nondividend Distributions. See the instructions for Form 5452. If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.				X	
7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of the total voting power of all classes of the corporation's stock entitled to vote or at least 25% of the total value of all classes of the corporation's stock? For rules of attribution, see section 318. If "Yes," enter: (a) Percentage owned ▶ and (b) Owner's country ▶ (c) The corporation may have to file Form 5472 , Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶				X	
8 Check this box if the corporation issued publicly offered debt instruments with original issue discount. If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments.					
9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶\$ 312,687					
10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶					
11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.					
12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction reported on page 1, line 29a. . . ▶\$ 5,552,608					
13 Are the corporation's total receipts (page 1, line 1a, plus lines 4 through 10) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶\$ 0				X	
14 Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement? See instructions If "Yes," complete and attach Schedule UTP.				X	
15a Did the corporation make any payments in 2017 that would require it to file Form(s) 1099?				X	
b If "Yes," did or will the corporation file all required Forms 1099?				X	
16 During this tax year, did the corporation have an 80% or more change in ownership, including a change due to redemption of its own stock?					X
17 During or subsequent to this tax year, but before the filing of this return, did the corporation dispose of more than 65% (by value) of its assets in a taxable, non-taxable, or tax deferred transaction?					X
18 Did the corporation receive assets in a section 351 transfer in which any of the transferred assets had a fair market basis or fair market value of more than \$1 million?					X
19 During the corporation's tax year, did the corporation make any payments that would require it to file Forms 1042 and 1042-S under chapter 3 (sections 1441 through 1464) or chapter 4 (sections 1471 through 1474) of the Code?					X

Form 1120 (2017)

Exhibit A Page 30 of 85

Page 5

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		409,361,648		321,724,187
2a	Trade notes and accounts receivable	68,150,726		129,488,959	
b	Less allowance for bad debts	(0)	68,150,726	(0)	129,488,959
3	Inventories		2,800,263,882		2,625,858,204
4	U.S. government obligations		0		0
5	Tax-exempt securities (see instructions)		0		0
6	Other current assets (attach statement)	STATEMENT 4	401,825,665	STATEMENT 9	764,769,205
7	Loans to shareholders		0		0
8	Mortgage and real estate loans		0		0
9	Other investments (attach statement)		0		0
10a	Buildings and other depreciable assets	4,439,239,668		4,815,527,512	
b	Less accumulated depreciation	(2,789,051,006)	1,650,188,662	(3,093,593,266)	1,721,934,246
11a	Depletable assets	0		0	
b	Less accumulated depletion	(0)	0	(0)	0
12	Land (net of any amortization)		151,218,997		151,218,997
13a	Intangible assets (amortizable only)	0		0	
b	Less accumulated amortization	(0)	0	(0)	0
14	Other assets (attach statement)	STATEMENT 5	1,228,041,477	STATEMENT 10	1,188,273,177
15	Total assets		6,709,051,057		6,903,266,975
Liabilities and Shareholders' Equity					
16	Accounts payable		1,087,972,346		1,065,961,067
17	Mortgages, notes, bonds payable in less than 1 year		1,521,471		1,501,542
18	Other current liabilities (attach statement)	STATEMENT 6	975,525,167	STATEMENT 11	1,051,621,746
19	Loans from shareholders		0		0
20	Mortgages, notes, bonds payable in 1 year or more		102,505,549		101,713,421
21	Other liabilities (attach statement)	STATEMENT 7	1,977,921,713	STATEMENT 12	2,079,462,099
22	Capital stock: a Preferred stock	0		0	
	b Common stock	2,273,602	2,273,602	2,296,230	2,296,230
23	Additional paid-in capital		1,965,511,403		2,057,938,960
24	Retained earnings - Appropriated (attach statement)		0		0
25	Retained earnings - Unappropriated		10,820,706,760		11,005,655,888
26	Adjustments to shareholders' equity (attach statement)	STATEMENT 8	-9,347,845	STATEMENT 13	5,088,391
27	Less cost of treasury stock		(10,215,539,109)		(10,467,972,369)
28	Total liabilities and shareholders' equity		6,709,051,057		6,903,266,975

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: The corporation may be required to file Schedule M-3. See instructions.

1	Net income (loss) per books	0	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books	0		Tax-exempt interest \$	0
3	Excess of capital losses over capital gains	0			0
4	Income subject to tax not recorded on books this year (itemize):	0			0
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
a	Depreciation \$	0		a Depreciation \$	0
b	Charitable contributions \$	0		b Charitable contributions \$	0
c	Travel & entertainment \$	0			0
		0	9	Add lines 7 and 8	0
6	Add lines 1 through 5	0	10	Income (page 1, line 28) - line 6 less line 9	0

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year	10,820,706,760	5	Distributions: a Cash	0
2	Net income (loss) per books	415,701,693		b Stock	230,752,565
3	Other increases (itemize):			c Property	0
		0	6	Other decreases (itemize):	0
4	Add lines 1, 2, and 3	11,236,408,453	7	Add lines 5 and 6	230,752,565
			8	Balance at end of year (line 4 less line 7)	11,005,655,888

Form 1120 (2017)

F7.00.01 US1120P5

SCHEDULE M-3
(Form 1120)**Net Income (Loss) Reconciliation for Corporations**
With Total Assets of \$10 Million or More

OMB No. 1545-0123

2017Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1120 or 1120-C.

▶ Go to www.irs.gov/Form1120 for instructions and the latest information.

Name of corporation (common parent, if consolidated return)

Employer identification number

Bed Bath & Beyond Inc. and Subsidiaries

[REDACTED]

- Check applicable box(es): (1) ☐ Non-consolidated return (2) ☒ Consolidated return (Form 1120 only)
- (3) ☐ Mixed 1120/L/PC group (4) ☐ Dormant subsidiaries schedule attached

Part I Financial Information and Net Income (Loss) Reconciliation (see instructions)**1a** Did the corporation file SEC Form 10-K for its income statement period ending with or within this tax year?

- ☒ **Yes.** Skip lines 1b and 1c and complete lines 2a through 11 with respect to that SEC Form 10-K.
- ☐ **No.** Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared.

b Did the corporation prepare a certified audited non-tax-basis income statement for that period?

- ☐ **Yes.** Skip line 1c and complete lines 2a through 11 with respect to that income statement.
- ☐ **No.** Go to line 1c.

c Did the corporation prepare a non-tax-basis income statement for that period?

- ☐ **Yes.** Complete lines 2a through 11 with respect to that income statement.
- ☐ **No.** Skip lines 2a through 3c and enter the corporation's net income (loss) per its books and records on line 4a.

2a Enter the income statement period: Beginning 02 26 2017 Ending 03 03 2018**b** Has the corporation's income statement been restated for the income statement period on line 2a?

- ☐ **Yes.** (If "Yes," attach an explanation and the amount of each item restated.)
- ☒ **No.**

c Has the corporation's income statement been restated for any of the five income statement periods immediately preceding the period on line 2a?

- ☐ **Yes.** (If "Yes," attach an explanation and the amount of each item restated.)
- ☒ **No.**

3a Is any of the corporation's voting common stock publicly traded?

- ☒ **Yes.**
- ☐ **No.** If "No," go to line 4a.

b Enter the symbol of the corporation's primary U.S. publicly traded voting common stock

BBBY

c Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock

075896100

4a Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1	4a	424,858,237
b Indicate accounting standard used for line 4a (see instructions): (1) <input checked="" type="checkbox"/> GAAP (2) <input type="checkbox"/> IFRS (3) <input type="checkbox"/> Statutory (4) <input type="checkbox"/> Tax-basis (5) <input type="checkbox"/> Other (specify) _____		
5a Net income from nonincludible foreign entities (attach statement)	5a	(9,432,351)
b Net loss from nonincludible foreign entities (attach statement and enter as a positive amount)	5b	275,807
6a Net income from nonincludible U.S. entities (attach statement)	6a	(0)
b Net loss from nonincludible U.S. entities (attach statement and enter as a positive amount)	6b	0
7a Net income (loss) of other includible foreign disregarded entities (attach statement)	7a	0
b Net income (loss) of other includible U.S. disregarded entities (attach statement)	7b	0
c Net income (loss) of other includible entities (attach statement)	7c	0
8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach statement)	8	0
9 Adjustment to reconcile income statement period to tax year (attach statement)	9	0
10a Intercompany dividend adjustments to reconcile to line 11 (attach statement)	10a	0
b Other statutory accounting adjustments to reconcile to line 11 (attach statement)	10b	0
c Other adjustments to reconcile to amount on line 11 (attach statement)	10c	0
11 Net income (loss) per income statement of includible corporations. Combine lines 4 through 10	11	415,701,693
Note. Part I, line 11, must equal Part II, line 30, column (a), and Schedule M-1, line 1 (see instructions).		

12 Enter the total amount (not just the corporation's share) of the assets and liabilities of all entities included or removed on the following lines.

	Total Assets	Total Liabilities
a Included on Part I, line 4	7,040,806,518	4,152,178,324
b Removed on Part I, line 5	137,539,543	49,251,703
c Removed on Part I, line 6	0	0
d Included on Part I, line 7	0	197,335,254

For Paperwork Reduction Act Notice, see the Instructions for Form 1120.

Schedule M-3 (Form 1120) 2017

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US20M3P1

Name of corporation (common parent, if consolidated return)

Employer identification number

Bed Bath & Beyond Inc. and Subsidiaries

Check applicable box(es): (1) ☒ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☐ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

Income (Loss) Items (Attach statements for lines 1 through 12)	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1 Income (loss) from equity method foreign corporations	0	0	0	
2 Gross foreign dividends not previously taxed	0	204,124	0	204,124
3 Subpart F, QEF, and similar income inclusions		0	4,950	4,950
4 Section 78 gross-up		0	12,221	12,221
5 Gross foreign distributions previously taxed	0	0	0	
6 Income (loss) from equity method U.S. corporations	0	0	0	
7 U.S. dividends not eliminated in tax consolidation	0	2,135,809	0	2,135,809
8 Minority interest for includible corporations	0	0	0	
9 Income (loss) from U.S. partnerships	0	-542,834	0	-542,834
10 Income (loss) from foreign partnerships	4,452,111	1,964,146	0	6,416,257
11 Income (loss) from other pass-through entities	0	0	0	0
12 Items relating to reportable transactions	0	0	0	0
13 Interest income (see instructions)	18,127,858	30,849	-216,801	17,941,906
14 Total accrual to cash adjustment	0	0	0	0
15 Hedging transactions	0	0	0	0
16 Mark-to-market income (loss)	0	0	0	0
17 Cost of goods sold (see instructions)	(7,694,302,570)	12,334,663	0	(7,681,967,907)
18 Sale versus lease (for sellers and/or lessors)	0	0	0	0
19 Section 481(a) adjustments		-33,139,407	0	-33,139,407
20 Unearned/deferred revenue	0	24,308,241	0	24,308,241
21 Income recognition from long-term contracts	0	0	0	0
22 Original issue discount and other imputed interest	0	0	0	0
23a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities	-275,813	275,813	0	
b Gross capital gains from Schedule D, excluding amounts from pass-through entities		5,712,841	0	5,712,841
c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses		-236	0	-236
d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses		17,221	0	17,221
e Abandonment losses		0	0	0
f Worthless stock losses (attach statement)		0	0	0
g Other gain/loss on disposition of assets other than inventory		0	0	0
24 Capital loss limitation and carryforward used		0	0	0
25 Other income (loss) items with differences (attach statement)	8,748,783,169	-9,262,577	0	8,739,520,592
26 Total income (loss) items. Combine lines 1 through 25	1,076,784,755	4,038,653	-199,630	1,080,623,778
27 Total expense/deduction items (from Part III, line 38)	-3,633,049,312	-456,458,872	316,044,154	-3,773,464,030
28 Other items with no differences	2,971,966,250			2,971,966,250
29a Mixed groups, see instructions. All others, combine lines 26 through 28	415,701,693	-452,420,219	315,844,524	279,125,998
b PC insurance subgroup reconciliation totals	0	0	0	0
c Life insurance subgroup reconciliation totals	0	0	0	0
30 Reconciliation totals. Combine lines 29a through 29c	415,701,693	-452,420,219	315,844,524	279,125,998

Note. Line 30, column (a), must equal Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Name of corporation (common parent, if consolidated return) Bed Bath & Beyond Inc. and Subsidiaries		Employer identification number [REDACTED]
Check applicable box(es): (1) <input checked="" type="checkbox"/> Consolidated group (2) <input type="checkbox"/> Parent corp (3) <input type="checkbox"/> Consolidated eliminations (4) <input type="checkbox"/> Subsidiary corp (5) <input type="checkbox"/> Mixed 1120/L/PC group		
Check if a sub-consolidated: (6) <input type="checkbox"/> 1120 group (7) <input type="checkbox"/> 1120 eliminations		
Name of subsidiary (if consolidated return)		Employer identification number

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return-Expense/Deduction Items (see instructions)

Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 U.S. current income tax expense	272,199,929	0	-272,199,929	
2 U.S. deferred income tax expense	0	0	0	
3 State and local current income tax expense	0	31,477,991	0	31,477,991
4 State and local deferred income tax expense	0	0	0	
5 Foreign current income tax expense (other than foreign withholding taxes)	-1,439,387	0	1,439,387	0
6 Foreign deferred income tax expense	0	0	0	
7 Foreign withholding taxes	0	0	-454,407	-454,407
8 Interest expense (see instructions)	83,844,127	0	93,101	83,937,228
9 Stock option expense	0	-9,894,017	3,877,400	-6,016,617
10 Other equity-based compensation	60,634,420	20,174,989	-34,475,581	46,333,828
11 Meals and entertainment	3,583,053	0	-1,790,125	1,792,928
12 Fines and penalties	103,715	0	-103,715	0
13 Judgments, damages, awards, and similar costs	0	0	0	0
14 Parachute payments	0	0	0	0
15 Compensation with section 162(m) limitation	9,409,003	0	-5,409,003	4,000,000
16 Pension and profit-sharing	30,330,945	17,828,192	0	48,159,137
17 Other post-retirement benefits	0	0	0	0
18 Deferred compensation	4,498,432	-4,498,432	0	0
19 Charitable contribution of cash and tangible property	390,447	0	0	390,447
20 Charitable contribution of intangible property	0	0	0	0
21 Charitable contribution limitation/carryforward		30,328,462	0	30,328,462
22 Domestic production activities deduction		0	498,093	498,093
23 Current year acquisition or reorganization investment banking fees	0	0	0	0
24 Current year acquisition or reorganization legal and accounting fees	0	0	0	0
25 Current year acquisition/reorganization other costs	0	0	0	0
26 Amortization/impairment of goodwill	0	15,444,152	0	15,444,152
27 Amortization of acquisition, reorganization, and start-up costs	0	4,366,332	0	4,366,332
28 Other amortization or impairment write-offs	-1,820,029	20,461,108	0	18,641,079
29 Reserved				
30 Depletion	0	0	0	0
31 Depreciation	303,293,978	-65,753,408	0	237,540,570
32 Bad debt expense	670,764	-4,272,262	0	-3,601,498
33 Corporate owned life insurance premiums	0	0	0	0
34 Purchase versus lease (for purchasers and/or lessees)	0	0	0	0
35 Research and development costs	0	0	0	0
36 Section 118 exclusion (attach statement)	0	0	0	0
37 Other expense/deduction items with differences (attach statement) STATEMENT 18	2,867,349,915	400,795,765	-7,519,375	3,260,626,305
38 Total expense/deduction items. Combine lines 1 through 37. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive	3,633,049,312	456,458,872	-316,044,154	3,773,464,030

Form 4626 Department of the Treasury Internal Revenue Service		Alternative Minimum Tax — Corporations ▶ Attach to the corporation's tax return. ▶ Go to www.irs.gov/Form4626 for instructions and the latest information.		OMB No. 1545-0123 2017	
Name Bed Bath & Beyond Inc. and Subsidiaries			Employer identification number [REDACTED]		
Note: See the instructions to find out if the corporation is a small corporation exempt from the alternative minimum tax (AMT) under section 55(e).					
1 Taxable income or (loss) before net operating loss deduction			1		278,508,765
2 Adjustments and preferences:					
a Depreciation of post-1986 property			2a		0
b Amortization of certified pollution control facilities			2b		0
c Amortization of mining exploration and development costs			2c		0
d Amortization of circulation expenditures (personal holding companies only)			2d		0
e Adjusted gain or loss			2e		0
f Long-term contracts			2f		0
g Merchant marine capital construction funds			2g		0
h Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)			2h		0
i Tax shelter farm activities (personal service corporations only)			2i		0
j Passive activities (closely held corporations and personal service corporations only)			2j		0
k Loss limitations			2k		0
l Depletion			2l		0
m Tax-exempt interest income from specified private activity bonds			2m		0
n Intangible drilling costs			2n		0
o Other adjustments and preferences			2o		1
3 Pre-adjustment alternative minimum taxable income (AMTI). Combine lines 1 through 2o			3		278,508,766
4 Adjusted current earnings (ACE) adjustment:					
a ACE from line 10 of the ACE worksheet in the instructions			4a		278,508,766
b Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount. See instructions			4b		0
c Multiply line 4b by 75% (0.75). Enter the result as a positive amount			4c		0
d Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments. See instructions. Note: You must enter an amount on line 4d (even if line 4b is positive)			4d		0
e ACE adjustment			4e		0
• If line 4b is zero or more, enter the amount from line 4c			}		
• If line 4b is less than zero, enter the smaller of line 4c or line 4d as a negative amount					
5 Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe any AMT			5		278,508,766
6 Alternative tax net operating loss deduction. See instructions			6		5,543,478
7 Alternative minimum taxable income. Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see instructions			7		272,965,288
8 Exemption phase-out (if line 7 is \$310,000 or more, skip lines 8a and 8b and enter -0- on line 8c):					
a Subtract \$150,000 from line 7. If completing this line for a member of a controlled group, see instructions. If zero or less, enter -0-			8a		0
b Multiply line 8a by 25% (0.25)			8b		0
c Exemption. Subtract line 8b from \$40,000. If completing this line for a member of a controlled group, see instructions. If zero or less, enter -0-			8c		0
9 Subtract line 8c from line 7. If zero or less, enter -0-			9		272,965,288
10 Multiply line 9 by 20% (0.20)			10		45,469,690
11 Alternative minimum tax foreign tax credit (AMTFTC). See instructions			11		2,481,515
12 Tentative minimum tax. Subtract line 11 from line 10			12		42,988,175
13 Regular tax liability before applying all credits except the foreign tax credit			13		86,666,996
14 Alternative minimum tax. Subtract line 13 from line 12. If zero or less, enter -0-. Enter here and on Form 1120, Schedule J, line 3, or the appropriate line of the corporation's income tax return			14		0

For Paperwork Reduction Act Notice, see separate instructions.

Form **4626** (2017)

ERF

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AS AMENDED

Bed Bath & Beyond Inc. and Subsidiaries

Adjusted Current Earnings (ACE) Worksheet

Keep for Your Records

►See ACE Worksheet Instructions.

1	Pre-adjustment AMTI. Enter the amount from line 3 of Form 4626	1	278,508,766
2	ACE depreciation adjustment:		
a	AMT depreciation	2a	237,540,570
b	ACE depreciation:		
	(1) Post-1993 property	2b(1)	237,540,570
	(2) Post-1989, pre-1994 property	2b(2)	0
	(3) Pre-1990 MACRS property	2b(3)	0
	(4) Pre-1990 original ACRS property	2b(4)	0
	(5) Property described in sections 168(f)(1) through (4)	2b(5)	0
	(6) Other property	2b(6)	0
	(7) Total ACE depreciation. Add lines 2b(1) through 2b(6)	2b(7)	237,540,570
c	ACE depreciation adjustment. Subtract line 2b(7) from line 2a	2c	0
3	Inclusion in ACE of items included in earnings and profits (E&P):		
a	Tax-exempt interest income	3a	0
b	Death benefits from life insurance contracts	3b	0
c	All other distributions from life insurance contracts (including surrenders)	3c	0
d	Inside buildup of undistributed income in life insurance contracts	3d	0
e	Other items (see Regulations sections 1.56(g)-1(c)(6)(iii) through (ix) for a partial list)	3e	0
f	Total increase to ACE from inclusion in ACE of items included in E&P. Add lines 3a through 3e	3f	0
4	Disallowance of items not deductible from E&P:		
a	Certain dividends received	4a	0
b	Dividends paid on certain preferred stock of public utilities that are deductible under section 247 (as affected by P.L. 113-295, Div. A, section 221(a)(41)(A), Dec. 19, 2014, 128 Stat. 4043)	4b	0
c	Dividends paid to an ESOP that are deductible under section 404(k)	4c	0
d	Nonpatronage dividends that are paid and deductible under section 1382(c)	4d	0
e	Other items (see Regulations sections 1.56(g)-1(d)(3)(i) and (ii) for a partial list)	4e	0
f	Total increase to ACE because of disallowance of items not deductible from E&P. Add lines 4a through 4e	4f	0
5	Other adjustments based on rules for figuring E&P:		
a	Intangible drilling costs	5a	0
b	Circulation expenditures	5b	0
c	Organizational expenditures	5c	0
d	LIFO inventory adjustments	5d	0
e	Installment sales	5e	0
f	Total other E&P adjustments. Combine lines 5a through 5e	5f	0
6	Disallowance of loss on exchange of debt pools	6	0
7	Acquisition expenses of life insurance companies for qualified foreign contracts	7	0
8	Depletion	8	0
9	Basis adjustments in determining gain or loss from sale or exchange of pre-1994 property	9	0
10	Adjusted current earnings. Combine lines 1, 2c, 3f, 4f, and 5f through 9. Enter the result here and on line 4a of Form 4626	10	278,508,766

Cost of Goods SoldForm **1125-A**

(Rev. October 2016)

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1120, 1120-C, 1120-F, 1120S, 1065, or 1065-B.

▶ Information about Form 1125-A and its instructions is at www.irs.gov/form1125a.

OMB No. 1545-0123

Name		Employer identification number	
Bed Bath & Beyond Inc. and Subsidiaries		[REDACTED]	
1	Inventory at beginning of year	1	2,800,263,882
2	Purchases	2	9,077,421,012
3	Cost of labor	3	0
4	Additional section 263A costs (attach schedule) STATEMENT 14	4	-14,394,234
5	Other costs (attach schedule) STATEMENT 15	5	-1,481,069,902
6	Total. Add lines 1 through 5	6	10,382,220,758
7	Inventory at end of year	7	2,700,252,851
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return. See instructions	8	7,681,967,907

9a Check all methods used for valuing closing inventory:

(i) ☒ Cost

(ii) ☐ Lower of cost or market

(iii) ☒ Other (Specify method used and attach explanation.) ▶ RETAIL METHOD

b Check if there was a writedown of subnormal goods ▶ ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶ ☐

d If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO. **9d** 0

e If property is produced or acquired for resale, do the rules of section 263A apply to the entity? See instructions ☒ Yes ☐ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation ☐ Yes ☒ No

For Paperwork Reduction Act Notice, see separate instructions.

Form **1125-A** (Rev. 10-2016)

ERF

Form

8827Department of the Treasury
Internal Revenue Service**Credit for Prior Year Minimum Tax — Corporations****2017**

▶ Attach to the corporation's tax return.
▶ Go to www.irs.gov/Form8827 for the latest information.

Name		Employer identification number
Bed Bath & Beyond Inc. and Subsidiaries		
1	Alternative minimum tax (AMT) for 2016. Enter the amount from line 14 of the 2016 Form 4626	1 0
2	Minimum tax credit carryforward from 2016. Enter the amount from line 9 of the 2016 Form 8827	2 66,726,615
3	Enter any 2016 unallowed qualified electric vehicle credit (see instructions)	3 0
4	Add lines 1, 2, and 3	4 66,726,615
5	Enter the corporation's 2017 regular income tax liability minus allowable tax credits (see instructions)	5 81,487,769
6	Is the corporation a "small corporation" exempt from the AMT for 2017 (see instructions)? <ul style="list-style-type: none"> ● Yes. Enter 25% of the excess of line 5 over \$25,000. If line 5 is \$25,000 or less, enter - 0- ● No. Complete Form 4626 for 2017 and enter the tentative minimum tax from line 12 	6 42,988,175
7a	Subtract line 6 from line 5. If zero or less, enter - 0-	7a 38,499,594
b	For a corporation electing to accelerate the minimum tax credit, enter the bonus depreciation amount attributable to the minimum tax credit (see instructions)	7b 0
c	Add lines 7a and 7b	7c 38,499,594
8a	Enter the smaller of line 4 or line 7c. If the corporation had a post- 1986 ownership change or has pre- acquisition excess credits, see instructions	8a 38,499,594
b	Current year minimum tax credit. Enter the smaller of line 4 or line 7a here and on Form 1120, Schedule J, Part I, line 5d (or the applicable line of your return). If the corporation had a post- 1986 ownership change or has pre- acquisition excess credits, see instructions. If you made an entry on line 7b, go to line 8c. Otherwise, skip line 8c	8b 38,499,594
c	Subtract line 8b from line 8a. This is the refundable amount for a corporation electing to accelerate the minimum tax credit. Include this amount on Form 1120, Schedule J, Part II, line 19c (or the applicable line of your return)	8c 0
9	Minimum tax credit carryforward to 2018. Subtract line 8a from line 4. Keep a record of this amount to carry forward and use in future years	9 28,227,021

1120Form
Department of the Treasury
Internal Revenue Service**"AS RECOMPUTED FOR FORM 1139"**
U.S. Corporation Page 88 of 88 Tax Return

OMB No. 1545-0123

For calendar year 2017 or tax year beginning 02 26, 2017, ending 03 03, 20 18

Go to www.irs.gov/Form1120 for instructions and the latest information.**2017****A Check if:**

- 1a Consolidated return (attach Form 851) ☒ **X**
- b Life/nonlife consolidated return ☐
- 2 Personal holding co. (attach Sch. PH) ☐
- 3 Personal service corp. (see instructions) ☐
- 4 Schedule M-3 attached ☒ **X**

**TYPE
OR
PRINT**

Name, Number, street, and room or suite no. If a P.O. box, see instructions.
City or town, state, or province, country and ZIP or foreign postal code

Bed Bath & Beyond Inc. and Subsidiaries
650 Liberty Avenue
Union NJ 07083

B Employer identification number**C Date incorporated**

10 05 1971

D Total assets (see instructions)

\$ 6,903,266,975

E Check if: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change**Income****Deductions****Tax, Credits, Payments, and Refunds**

1a	Gross receipts or sales	1a	12,468,469,392	
b	Returns and allowances	1b	0	
c	Balance. Subtract line 1b from line 1a	1c	12,468,469,392	
2	Cost of goods sold (attach Form 1125-A)	2	7,596,810,387	
3	Gross profit. Subtract line 2 from line 1c	3	4,871,659,005	
4	Dividends (Schedule C, line 19)	4	2,357,104	
5	Interest	5	17,941,906	
6	Gross rents	6	0	
7	Gross royalties	7	3,624,068	
8	Capital gain net income (attach Schedule D (Form 1120))	8	5,712,605	
9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	9	17,221	
10	Other income (see instructions-- attach statement) STATEMENT 1	10	39,750,408	
11	Total income. Add lines 3 through 10	11	4,941,062,317	
12	Compensation of officers (see instructions-- attach Form 1125-E)	12	83,132,264	
13	Salaries and wages (less employment credits)	13	1,153,148,622	
14	Repairs and maintenance	14	79,410,368	
15	Bad debts	15	-3,601,498	
16	Rents	16	525,004,656	
17	Taxes and licenses STATEMENT 2	17	295,308,340	
18	Interest	18	83,937,228	
19	Charitable contributions	19	38,994,791	
20	Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	20	237,540,570	
21	Depletion	21	0	
22	Advertising	22	488,524,950	
23	Pension, profit-sharing, etc., plans	23	48,159,137	
24	Employee benefit programs	24	187,298,536	
25	Domestic production activities deduction (attach Form 8903)	25	498,093	
26	Other deductions (attach statement) STATEMENT 3	26	1,367,698,624	
27	Total deductions. Add lines 12 through 26	27	4,585,054,681	
28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11.	28	356,007,636	
29a	Net operating loss deduction (see instructions)	29a	5,552,608	
b	Special deductions (Schedule C, line 20)	29b	617,233	
c	Add lines 29a and 29b	29c	6,169,841	
30	Taxable income. Subtract line 29c from line 28. See instructions.	30	349,837,795	
31	Total tax (Schedule J, Part I, line 11)	31	65,321,713	
32	Total payments and refundable credits (Schedule J, Part II, line 21)	32	124,005,566	
33	Estimated tax penalty. See instructions. Check if Form 2220 is attached <input checked="" type="checkbox"/> X	33	0	
34	Amount owed. If line 32 is smaller than the total of lines 31 and 33, enter amount owed	34	0	
35	Overpayment. If line 32 is larger than the total of lines 31 and 33, enter amount overpaid	35	58,683,853	
36	Enter amount from line 35 you want: Credited to 2018 estimated tax * 58,683,853 Refunded	36	0	

**Sign
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer Toni-Anne Andrisano

2018-12-14
DateVP Tax
TitleMay the IRS discuss this return with the preparer shown below (see instructions)? ☐ Yes ☒ No**Paid
Preparer
Use Only**

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name	Firm's EIN			
Firm's address	Phone no.			

For Paperwork Reduction Act Notice, see separate instructions.

F7.00.01 US1120P1 - Form 1120 (2017)

ERF

*** Inclusion of \$49,971,806 refund from previously filed Form 1139**

Form 1120 (2017)

Bed Bath & Beyond Inc. and Subsidiaries

Page 2

Schedule C Dividends and Special Deductions (see instructions)		(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	881,762	70	617,233
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)	0	80	0
3	Dividends on debt-financed stock of domestic and foreign corporations	0	see instructions	0
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	0	42	0
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	0	48	0
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs	0	70	0
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs	0	80	0
8	Dividends from wholly owned foreign subsidiaries	0	100	0
9	Total. Add lines 1 through 8. See instructions for limitation			617,233
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	0	100	0
11	Dividends from affiliated group members	0	100	0
12	Dividends from certain FSCs	0	100	0
13	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12	204,124		
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)	4,950		
15	Foreign dividend gross-up	12,221		
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3	0		
17	Other dividends	1,254,047		
18	Deduction for dividends paid on certain preferred stock of public utilities			0
19	Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4 ▶	2,357,104		
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b ▶			617,233

Form 1120 (2017)

Schedule J Tax Computation and Payment (see instructions)**Part I - Tax Computation**

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120)). See inst.	<input type="checkbox"/>	
2	Income tax. Check if a qualified personal service corporation. See instructions	<input type="checkbox"/>	2 114,258,343
3	Alternative minimum tax (attach Form 4626)		3 0
4	Add lines 2 and 3		4 114,258,343
5a	Foreign tax credit (attach Form 1118)	5a 2,481,515	
b	Credit from Form 8834 (see instructions)	5b 0	
c	General business credit (attach Form 3800)	5c 5,179,227	
d	Credit for prior year minimum tax (attach Form 8827)	5d 49,971,806	
e	Bond credits from Form 8912	5e 0	
6	Total credits. Add lines 5a through 5e		6 57,632,548
7	Subtract line 6 from line 4		7 56,625,795
8	Personal holding company tax (attach Schedule PH (Form 1120))		8 0
9a	Recapture of investment credit (attach Form 4255)	9a 0	
b	Recapture of low-income housing credit (attach Form 8611)	9b 0	
c	Interest due under the look-back method-- completed long-term contracts (attach Form 8697)	9c 0	
d	Interest due under the look-back method-- income forecast method (attach Form 8866)	9d 0	
e	Alternative tax on qualifying shipping activities (attach Form 8902)	9e 0	
f	Other (see instructions-- attach statement)	9f 0	
10	Total. Add lines 9a through 9f		10 0
11	Total tax. Add lines 7, 8, and 10. Enter here and on page 1, line 31		11 65,321,713 *

Part II - Payments and Refundable Credits

* Net tax liability under Sec 965

8,695,918

12	2016 overpayment credited to 2017	12 26,110,566
13	2017 estimated tax payments	13 97,895,000
14	2017 refund applied for on Form 4466	14 (0)
15	Combine lines 12, 13, and 14	15 124,005,566
16	Tax deposited with Form 7004	16 0
17	Withholding (see instructions)	17 0
18	Total payments. Add lines 15, 16, and 17	18 124,005,566
19	Refundable credits from:	
a	Form 2439	19a 0
b	Form 4136	19b 0
c	Form 8827, line 8c	19c 0
d	Other (attach statement-- see instructions)	19d 0
20	Total credits. Add lines 19a through 19d	20 0
21	Total payments and credits. Add lines 18 and 20. Enter here and on page 1, line 32	21 124,005,566

Schedule K Other Information (see instructions)

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. ▶ 442299		
b	Business activity ▶ RETAIL SALES		
c	Product or service ▶ LINENS AND HOUSEWARES		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidary controlled group? If "Yes," enter name and EIN of the parent corporation ▶		X
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)		X
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)		X

Schedule K Other Information (continued from page 3)

				Yes	No
5 At the end of the tax year, did the corporation:					
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851 , Affiliations Schedule? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.				X	
(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock		
SEE STATEMENT ATTACHED			0.000		
			0.000		
			0.000		
b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.				X	
(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital		
BED BATH & BEYOND MEXICO S. DE R.L. DE C.V.	98-0581587	MX	50.000		
			0.000		
			0.000		
6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? See sections 301 and 316.					X
If "Yes," file Form 5452 , Corporate Report of Nondividend Distributions. See the instructions for Form 5452.					
If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.					
7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of the total voting power of all classes of the corporation's stock entitled to vote or at least 25% of the total value of all classes of the corporation's stock?					X
For rules of attribution, see section 318. If "Yes," enter:					
(a) Percentage owned ▶ and (b) Owner's country ▶					
(c) The corporation may have to file Form 5472 , Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶					
8 Check this box if the corporation issued publicly offered debt instruments with original issue discount. <input type="checkbox"/>					
If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments.					
9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶\$ 312,687					
10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶					
11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here <input type="checkbox"/>					
If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.					
12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction reported on page 1, line 29a. . . ▶\$ 29,577,945					
13 Are the corporation's total receipts (page 1, line 1a, plus lines 4 through 10) for the tax year and its total assets at the end of the tax year less than \$250,000?					X
If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶\$ 0					
14 Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement? See instructions				X	
If "Yes," complete and attach Schedule UTP.					
15a Did the corporation make any payments in 2017 that would require it to file Form(s) 1099?				X	
b If "Yes," did or will the corporation file all required Forms 1099?				X	
16 During this tax year, did the corporation have an 80% or more change in ownership, including a change due to redemption of its own stock?					X
17 During or subsequent to this tax year, but before the filing of this return, did the corporation dispose of more than 65% (by value) of its assets in a taxable, non-taxable, or tax deferred transaction?					X
18 Did the corporation receive assets in a section 351 transfer in which any of the transferred assets had a fair market basis or fair market value of more than \$1 million?					X
19 During the corporation's tax year, did the corporation make any payments that would require it to file Forms 1042 and 1042-S under chapter 3 (sections 1441 through 1464) or chapter 4 (sections 1471 through 1474) of the Code?				X	

Form 1120 (2017)

Exhibit A RECOMPUTED FOR FORM 1139

Page 5

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		409,361,648		321,724,187
2a	Trade notes and accounts receivable	68,150,726		129,488,959	
b	Less allowance for bad debts	(0)	68,150,726	(0)	129,488,959
3	Inventories		2,800,263,882		2,625,858,204
4	U.S. government obligations		0		0
5	Tax-exempt securities (see instructions)		0		0
6	Other current assets (attach statement)	STATEMENT 4	401,825,665	STATEMENT 9	764,769,205
7	Loans to shareholders		0		0
8	Mortgage and real estate loans		0		0
9	Other investments (attach statement)		0		0
10a	Buildings and other depreciable assets	4,439,239,668		4,815,527,512	
b	Less accumulated depreciation	(2,789,051,006)	1,650,188,662	(3,093,593,266)	1,721,934,246
11a	Depletable assets	0		0	
b	Less accumulated depletion	(0)	0	(0)	0
12	Land (net of any amortization)		151,218,997		151,218,997
13a	Intangible assets (amortizable only)	0		0	
b	Less accumulated amortization	(0)	0	(0)	0
14	Other assets (attach statement)	STATEMENT 5	1,228,041,477	STATEMENT 10	1,188,273,177
15	Total assets		6,709,051,057		6,903,266,975
Liabilities and Shareholders' Equity					
16	Accounts payable		1,087,972,346		1,065,961,067
17	Mortgages, notes, bonds payable in less than 1 year		1,521,471		1,501,542
18	Other current liabilities (attach statement)	STATEMENT 6	975,525,167	STATEMENT 11	1,051,621,746
19	Loans from shareholders		0		0
20	Mortgages, notes, bonds payable in 1 year or more		102,505,549		101,713,421
21	Other liabilities (attach statement)	STATEMENT 7	1,977,921,713	STATEMENT 12	2,079,462,099
22	Capital stock: a Preferred stock	0		0	
	b Common stock	2,273,602	2,273,602	2,296,230	2,296,230
23	Additional paid-in capital		1,965,511,403		2,057,938,960
24	Retained earnings - Appropriated (attach statement)		0		0
25	Retained earnings - Unappropriated		10,820,706,760		11,005,655,888
26	Adjustments to shareholders' equity (attach statement)	STATEMENT 8	-9,347,845	STATEMENT 13	5,088,391
27	Less cost of treasury stock		(10,215,539,109)		(10,467,972,369)
28	Total liabilities and shareholders' equity		6,709,051,057		6,903,266,975

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: The corporation may be required to file Schedule M-3. See instructions.

1	Net income (loss) per books	0	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books	0		Tax-exempt interest \$	0
3	Excess of capital losses over capital gains	0			0
4	Income subject to tax not recorded on books this year (itemize):	0			0
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
a	Depreciation \$	0		a Depreciation \$	0
b	Charitable contributions \$	0		b Charitable contributions \$	0
c	Travel & entertainment \$	0			0
		0	9	Add lines 7 and 8	0
6	Add lines 1 through 5	0	10	Income (page 1, line 28) - line 6 less line 9	0

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year	10,820,706,760	5	Distributions: a Cash	0
2	Net income (loss) per books	415,701,693		b Stock	230,752,565
3	Other increases (itemize):			c Property	0
		0	6	Other decreases (itemize):	0
4	Add lines 1, 2, and 3	11,236,408,453	7	Add lines 5 and 6	230,752,565
			8	Balance at end of year (line 4 less line 7)	11,005,655,888

Form 1120 (2017)

F7.00.01 US1120P5

SCHEDULE M-3
(Form 1120)**Net Income (Loss) Reconciliation for Corporations**
With Total Assets of \$10 Million or More

OMB No. 1545-0123

2017Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1120 or 1120-C.

▶ Go to www.irs.gov/Form1120 for instructions and the latest information.

Name of corporation (common parent, if consolidated return)

Employer identification number

Bed Bath & Beyond Inc. and Subsidiaries

[REDACTED]

- Check applicable box(es): (1) ☐ Non-consolidated return (2) ☒ Consolidated return (Form 1120 only)
- (3) ☐ Mixed 1120/L/PC group (4) ☐ Dormant subsidiaries schedule attached

Part I Financial Information and Net Income (Loss) Reconciliation (see instructions)**1a** Did the corporation file SEC Form 10-K for its income statement period ending with or within this tax year?

- ☒ **Yes.** Skip lines 1b and 1c and complete lines 2a through 11 with respect to that SEC Form 10-K.
- ☐ **No.** Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared.

b Did the corporation prepare a certified audited non-tax-basis income statement for that period?

- ☐ **Yes.** Skip line 1c and complete lines 2a through 11 with respect to that income statement.
- ☐ **No.** Go to line 1c.

c Did the corporation prepare a non-tax-basis income statement for that period?

- ☐ **Yes.** Complete lines 2a through 11 with respect to that income statement.
- ☐ **No.** Skip lines 2a through 3c and enter the corporation's net income (loss) per its books and records on line 4a.

2a Enter the income statement period: Beginning 02 26 2017 Ending 03 03 2018**b** Has the corporation's income statement been restated for the income statement period on line 2a?

- ☐ **Yes.** (If "Yes," attach an explanation and the amount of each item restated.)
- ☒ **No.**

c Has the corporation's income statement been restated for any of the five income statement periods immediately preceding the period on line 2a?

- ☐ **Yes.** (If "Yes," attach an explanation and the amount of each item restated.)
- ☒ **No.**

3a Is any of the corporation's voting common stock publicly traded?

- ☒ **Yes.**
- ☐ **No.** If "No," go to line 4a.

b Enter the symbol of the corporation's primary U.S. publicly traded voting common stock

BBBY

c Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock

075896100

4a Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1	4a	424,858,237
b Indicate accounting standard used for line 4a (see instructions): (1) <input checked="" type="checkbox"/> GAAP (2) <input type="checkbox"/> IFRS (3) <input type="checkbox"/> Statutory (4) <input type="checkbox"/> Tax-basis (5) <input type="checkbox"/> Other (specify) _____		
5a Net income from nonincludible foreign entities (attach statement)	5a	(9,432,351)
b Net loss from nonincludible foreign entities (attach statement and enter as a positive amount)	5b	275,807
6a Net income from nonincludible U.S. entities (attach statement)	6a	(0)
b Net loss from nonincludible U.S. entities (attach statement and enter as a positive amount)	6b	0
7a Net income (loss) of other includible foreign disregarded entities (attach statement)	7a	0
b Net income (loss) of other includible U.S. disregarded entities (attach statement)	7b	0
c Net income (loss) of other includible entities (attach statement)	7c	0
8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach statement)	8	0
9 Adjustment to reconcile income statement period to tax year (attach statement)	9	0
10a Intercompany dividend adjustments to reconcile to line 11 (attach statement)	10a	0
b Other statutory accounting adjustments to reconcile to line 11 (attach statement)	10b	0
c Other adjustments to reconcile to amount on line 11 (attach statement)	10c	0
11 Net income (loss) per income statement of includible corporations. Combine lines 4 through 10 Note. Part I, line 11, must equal Part II, line 30, column (a), and Schedule M-1, line 1 (see instructions).	11	415,701,693

12 Enter the total amount (not just the corporation's share) of the assets and liabilities of all entities included or removed on the following lines.

	Total Assets	Total Liabilities
a Included on Part I, line 4	7,040,806,518	4,152,178,324
b Removed on Part I, line 5	137,539,543	49,251,703
c Removed on Part I, line 6	0	0
d Included on Part I, line 7	0	197,335,254

For Paperwork Reduction Act Notice, see the Instructions for Form 1120.

Schedule M-3 (Form 1120) 2017

ERF

F7.00.01

US20M3P1

Name of corporation (common parent, if consolidated return)

Employer identification number

Bed Bath & Beyond Inc. and Subsidiaries

Check applicable box(es): (1) ☒ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☐ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

Income (Loss) Items (Attach statements for lines 1 through 12)	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1 Income (loss) from equity method foreign corporations	0	0	0	
2 Gross foreign dividends not previously taxed	0	204,124	0	204,124
3 Subpart F, QEF, and similar income inclusions		0	4,950	4,950
4 Section 78 gross-up		0	12,221	12,221
5 Gross foreign distributions previously taxed	0	0	0	
6 Income (loss) from equity method U.S. corporations	0	0	0	
7 U.S. dividends not eliminated in tax consolidation	0	2,135,809	0	2,135,809
8 Minority interest for includible corporations	0	0	0	
9 Income (loss) from U.S. partnerships	0	-542,834	0	-542,834
10 Income (loss) from foreign partnerships	4,452,111	1,964,146	0	6,416,257 ST 18
11 Income (loss) from other pass-through entities	0	0	0	0
12 Items relating to reportable transactions	0	0	0	0
13 Interest income (see instructions)	18,127,858	30,849	-216,801	17,941,906
14 Total accrual to cash adjustment	0	0	0	0
15 Hedging transactions	0	0	0	0
16 Mark-to-market income (loss)	0	0	0	0
17 Cost of goods sold (see instructions)	(7,609,145,050)	12,334,663	0	(7,596,810,387)
18 Sale versus lease (for sellers and/or lessors)	0	0	0	0
19 Section 481(a) adjustments		-33,139,407	0	-33,139,407
20 Unearned/deferred revenue	0	24,308,241	0	24,308,241
21 Income recognition from long-term contracts	0	0	0	0
22 Original issue discount and other imputed interest	0	0	0	0
23a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities	-275,813	275,813	0	
b Gross capital gains from Schedule D, excluding amounts from pass-through entities		5,712,841	0	5,712,841
c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses		-236	0	-236
d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses		17,221	0	17,221
e Abandonment losses		0	0	0
f Worthless stock losses (attach statement)		0	0	0
g Other gain/loss on disposition of assets other than inventory		0	0	0
24 Capital loss limitation and carryforward used		0	0	0
25 Other income (loss) items with differences (attach statement)	8,748,783,169	-9,262,577	0	8,739,520,592 ST 19
26 Total income (loss) items. Combine lines 1 through 25	1,161,942,275	4,038,653	-199,630	1,165,781,298
27 Total expense/deduction items (from Part III, line 38)	-3,718,206,832	-338,008,869	274,475,789	-3,781,739,912
28 Other items with no differences STATEMENT 20	2,971,966,250			2,971,966,250
29a Mixed groups, see instructions. All others, combine lines 26 through 28	415,701,693	-333,970,216	274,276,159	356,007,636
b PC insurance subgroup reconciliation totals	0	0	0	0
c Life insurance subgroup reconciliation totals	0	0	0	0
30 Reconciliation totals. Combine lines 29a through 29c	415,701,693	-333,970,216	274,276,159	356,007,636

Note. Line 30, column (a), must equal Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Name of corporation (common parent, if consolidated return) Bed Bath & Beyond Inc. and Subsidiaries		Employer identification number [REDACTED]
Check applicable box(es): (1) <input checked="" type="checkbox"/> Consolidated group (2) <input type="checkbox"/> Parent corp (3) <input type="checkbox"/> Consolidated eliminations (4) <input type="checkbox"/> Subsidiary corp (5) <input type="checkbox"/> Mixed 1120/L/PC group		
Check if a sub-consolidated: (6) <input type="checkbox"/> 1120 group (7) <input type="checkbox"/> 1120 eliminations		
Name of subsidiary (if consolidated return)		Employer identification number

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return-Expense/Deduction Items (see instructions)

Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 U.S. current income tax expense	272,199,929	0	-272,199,929	
2 U.S. deferred income tax expense	0	0	0	
3 State and local current income tax expense	0	31,477,991	0	31,477,991
4 State and local deferred income tax expense	0	0	0	
5 Foreign current income tax expense (other than foreign withholding taxes)	-1,439,387	0	1,439,387	0
6 Foreign deferred income tax expense	0	0	0	
7 Foreign withholding taxes	0	0	-454,407	-454,407
8 Interest expense (see instructions)	83,844,127	0	93,101	83,937,228
9 Stock option expense	0	-9,894,017	3,877,400	-6,016,617
10 Other equity-based compensation	60,634,420	20,174,989	-34,475,581	46,333,828
11 Meals and entertainment	3,583,053	0	-1,790,125	1,792,928
12 Fines and penalties	103,715	0	-103,715	0
13 Judgments, damages, awards, and similar costs	0	0	0	0
14 Parachute payments	0	0	0	0
15 Compensation with section 162(m) limitation	9,409,003	0	-5,409,003	4,000,000
16 Pension and profit-sharing	30,330,945	17,828,192	0	48,159,137
17 Other post-retirement benefits	0	0	0	0
18 Deferred compensation	4,498,432	-4,498,432	0	0
19 Charitable contribution of cash and tangible property	85,547,967	0	41,568,365	127,116,332
20 Charitable contribution of intangible property	0	0	0	0
21 Charitable contribution limitation/carryforward		-88,121,541	0	-88,121,541
22 Domestic production activities deduction		0	498,093	498,093
23 Current year acquisition or reorganization investment banking fees	0	0	0	0
24 Current year acquisition or reorganization legal and accounting fees	0	0	0	0
25 Current year acquisition/reorganization other costs	0	0	0	0
26 Amortization/impairment of goodwill	0	15,444,152	0	15,444,152
27 Amortization of acquisition, reorganization, and start-up costs	0	4,366,332	0	4,366,332
28 Other amortization or impairment write-offs	-1,820,029	20,461,108	0	18,641,079
29 Reserved				
30 Depletion	0	0	0	0
31 Depreciation	303,293,978	-65,753,408	0	237,540,570
32 Bad debt expense	670,764	-4,272,262	0	-3,601,498
33 Corporate owned life insurance premiums	0	0	0	0
34 Purchase versus lease (for purchasers and/or lessees)	0	0	0	0
35 Research and development costs	0	0	0	0
36 Section 118 exclusion (attach statement)	0	0	0	0
37 Other expense/deduction items with differences (attach statement) STATEMENT 21	2,867,349,915	400,795,765	-7,519,375	3,260,626,305
38 Total expense/deduction items. Combine lines 1 through 37. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive	3,718,206,832	338,008,869	-274,475,789	3,781,739,912

AS RECOMPUTED FOR FORM 1139

Form 4626		Alternative Minimum Tax—Corporations		OMB No. 1545-0123
Department of the Treasury Internal Revenue Service		Attach to the corporation's tax return. Go to www.irs.gov/Form4626 for instructions and the latest information.		2017
Name Bed Bath & Beyond Inc. and Subsidiaries		Employer identification number [REDACTED]		
Note: See the instructions to find out if the corporation is a small corporation exempt from the alternative minimum tax (AMT) under section 55(e).				
1	Taxable income or (loss) before net operating loss deduction	1	355,390,403	
2	Adjustments and preferences:			
a	Depreciation of post-1986 property	2a	0	
b	Amortization of certified pollution control facilities	2b	0	
c	Amortization of mining exploration and development costs	2c	0	
d	Amortization of circulation expenditures (personal holding companies only)	2d	0	
e	Adjusted gain or loss	2e	0	
f	Long-term contracts	2f	0	
g	Merchant marine capital construction funds	2g	0	
h	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)	2h	0	
i	Tax shelter farm activities (personal service corporations only)	2i	0	
j	Passive activities (closely held corporations and personal service corporations only)	2j	0	
k	Loss limitations	2k	0	
l	Depletion	2l	0	
m	Tax-exempt interest income from specified private activity bonds	2m	0	
n	Intangible drilling costs	2n	0	
o	Other adjustments and preferences	2o	-555,260	
3	Pre-adjustment alternative minimum taxable income (AMTI). Combine lines 1 through 2o	3	354,835,143	
4	Adjusted current earnings (ACE) adjustment:			
a	ACE from line 10 of the ACE worksheet in the instructions	4a	354,835,143	
b	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount. See instructions	4b	0	
c	Multiply line 4b by 75% (0.75). Enter the result as a positive amount	4c	0	
d	Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments. See instructions. Note: You must enter an amount on line 4d (even if line 4b is positive)	4d	0	
e	ACE adjustment. ● If line 4b is zero or more, enter the amount from line 4c ● If line 4b is less than zero, enter the smaller of line 4c or line 4d as a negative amount	4e	0	
5	Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe any AMT	5	354,835,143	
6	Alternative tax net operating loss deduction. See instructions	6	0	
7	Alternative minimum taxable income. Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see instructions	7	354,835,143	
8	Exemption phase-out (if line 7 is \$310,000 or more, skip lines 8a and 8b and enter -0- on line 8c):			
a	Subtract \$150,000 from line 7. If completing this line for a member of a controlled group, see instructions. If zero or less, enter -0-	8a	0	
b	Multiply line 8a by 25% (0.25)	8b	0	
c	Exemption. Subtract line 8b from \$40,000. If completing this line for a member of a controlled group, see instructions. If zero or less, enter -0-	8c	0	
9	Subtract line 8c from line 7. If zero or less, enter -0-	9	354,835,143	
10	Multiply line 9 by 20% (0.20)	10	59,107,310	
11	Alternative minimum tax foreign tax credit (AMTFTC). See instructions	11	2,481,515	
12	Tentative minimum tax. Subtract line 11 from line 10	12	56,625,795	
13	Regular tax liability before applying all credits except the foreign tax credit	13	111,776,828	
14	Alternative minimum tax. Subtract line 13 from line 12. If zero or less, enter -0-. Enter here and on Form 1120, Schedule J, line 3, or the appropriate line of the corporation's income tax return	14	0	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4626** (2017)

ERF

F7.00.01 US4626P1

Bed Bath & Beyond Inc. and Subsidiaries

Adjusted Current Earnings (ACE) Worksheet

Keep for Your Records

►See ACE Worksheet Instructions.

1	Pre-adjustment AMTI. Enter the amount from line 3 of Form 4626	1	354,835,143
2	ACE depreciation adjustment:		
a	AMT depreciation	2a	237,540,570
b	ACE depreciation:		
	(1) Post-1993 property	2b(1)	237,540,570
	(2) Post-1989, pre-1994 property	2b(2)	0
	(3) Pre-1990 MACRS property	2b(3)	0
	(4) Pre-1990 original ACRS property	2b(4)	0
	(5) Property described in sections 168(f)(1) through (4)	2b(5)	0
	(6) Other property	2b(6)	0
	(7) Total ACE depreciation. Add lines 2b(1) through 2b(6)	2b(7)	237,540,570
c	ACE depreciation adjustment. Subtract line 2b(7) from line 2a	2c	0
3	Inclusion in ACE of items included in earnings and profits (E&P):		
a	Tax-exempt interest income	3a	0
b	Death benefits from life insurance contracts	3b	0
c	All other distributions from life insurance contracts (including surrenders)	3c	0
d	Inside buildup of undistributed income in life insurance contracts	3d	0
e	Other items (see Regulations sections 1.56(g)-1(c)(6)(iii) through (ix) for a partial list)	3e	0
f	Total increase to ACE from inclusion in ACE of items included in E&P. Add lines 3a through 3e	3f	0
4	Disallowance of items not deductible from E&P:		
a	Certain dividends received	4a	0
b	Dividends paid on certain preferred stock of public utilities that are deductible under section 247 (as affected by P.L. 113-295, Div. A, section 221(a)(41)(A), Dec. 19, 2014, 128 Stat. 4043)	4b	0
c	Dividends paid to an ESOP that are deductible under section 404(k)	4c	0
d	Nonpatronage dividends that are paid and deductible under section 1382(c)	4d	0
e	Other items (see Regulations sections 1.56(g)-1(d)(3)(i) and (ii) for a partial list)	4e	0
f	Total increase to ACE because of disallowance of items not deductible from E&P. Add lines 4a through 4e	4f	0
5	Other adjustments based on rules for figuring E&P:		
a	Intangible drilling costs	5a	0
b	Circulation expenditures	5b	0
c	Organizational expenditures	5c	0
d	LIFO inventory adjustments	5d	0
e	Installment sales	5e	0
f	Total other E&P adjustments. Combine lines 5a through 5e	5f	0
6	Disallowance of loss on exchange of debt pools	6	0
7	Acquisition expenses of life insurance companies for qualified foreign contracts	7	0
8	Depletion	8	0
9	Basis adjustments in determining gain or loss from sale or exchange of pre-1994 property	9	0
10	Adjusted current earnings. Combine lines 1, 2c, 3f, 4f, and 5f through 9. Enter the result here and on line 4a of Form 4626	10	354,835,143

AS RECOMPUTED FOR FORM 1139
Exhibit A Page 48 of 85Form **1125-A**

(Rev. October 2016)

Department of the Treasury
Internal Revenue Service**Cost of Goods Sold**

▶ Attach to Form 1120, 1120-C, 1120-F, 1120S, 1065, or 1065-B.

▶ Information about Form 1125-A and its instructions is at www.irs.gov/form1125a.

OMB No. 1545-0123

Name Bed Bath & Beyond Inc. and Subsidiaries		Employer identification number [REDACTED]	
1	Inventory at beginning of year	1	2,800,263,882
2	Purchases	2	9,077,421,012
3	Cost of labor	3	0
4	Additional section 263A costs (attach schedule) STATEMENT 14	4	-14,394,234
5	Other costs (attach schedule) STATEMENT 15	5	-1,566,227,422
6	Total. Add lines 1 through 5	6	10,297,063,238
7	Inventory at end of year	7	2,700,252,851
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return. See instructions	8	7,596,810,387

9a Check all methods used for valuing closing inventory:

(i) ☒ Cost

(ii) ☐ Lower of cost or market

(iii) ☒ Other (Specify method used and attach explanation.) ▶ RETAIL METHOD

b Check if there was a writedown of subnormal goods ▶ ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶ ☐

d If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO. **9d** 0

e If property is produced or acquired for resale, do the rules of section 263A apply to the entity? See instructions ☒ Yes ☐ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation ☐ Yes ☒ No

For Paperwork Reduction Act Notice, see separate instructions.

Form **1125-A** (Rev. 10-2016)

ERF

Form **8827**
Department of the Treasury
Internal Revenue Service

Credit for Prior Year Minimum Tax —Corporations

OMB No. 1545-0123

2017

▶ Attach to the corporation's tax return.
▶ Go to www.irs.gov/Form8827 for the latest information.

Name		Employer identification number
Bed Bath & Beyond Inc. and Subsidiaries		
1	Alternative minimum tax (AMT) for 2016. Enter the amount from line 14 of the 2016 Form 4626	1 0
2	Minimum tax credit carryforward from 2016. Enter the amount from line 9 of the 2016 Form 8827	2 66,726,615
3	Enter any 2016 unallowed qualified electric vehicle credit (see instructions)	3 0
4	Add lines 1, 2, and 3	4 66,726,615
5	Enter the corporation's 2017 regular income tax liability minus allowable tax credits (see instructions)	5 106,597,601
6	Is the corporation a "small corporation" exempt from the AMT for 2017 (see instructions)? <ul style="list-style-type: none"> ● Yes. Enter 25% of the excess of line 5 over \$25,000. If line 5 is \$25,000 or less, enter -0- ● No. Complete Form 4626 for 2017 and enter the tentative minimum tax from line 12 	6 56,625,795
7a	Subtract line 6 from line 5. If zero or less, enter -0-	7a 49,971,806
b	For a corporation electing to accelerate the minimum tax credit, enter the bonus depreciation amount attributable to the minimum tax credit (see instructions)	7b 0
c	Add lines 7a and 7b	7c 49,971,806
8a	Enter the smaller of line 4 or line 7c. If the corporation had a post-1986 ownership change or has pre-acquisition excess credits, see instructions	8a 49,971,806
b	Current year minimum tax credit. Enter the smaller of line 4 or line 7a here and on Form 1120, Schedule J, Part I, line 5d (or the applicable line of your return). If the corporation had a post-1986 ownership change or has pre-acquisition excess credits, see instructions. If you made an entry on line 7b, go to line 8c. Otherwise, skip line 8c	8b 49,971,806
c	Subtract line 8b from line 8a. This is the refundable amount for a corporation electing to accelerate the minimum tax credit. Include this amount on Form 1120, Schedule J, Part II, line 19c (or the applicable line of your return)	8c 0
9	Minimum tax credit carryforward to 2018. Subtract line 8a from line 4. Keep a record of this amount to carry forward and use in future years	9 16,754,809

EXHIBIT B

Please Type or Print	Name	Employer identification number
	Bed Bath & Beyond Inc. and Subsidiaries	
	Number, street, and room or suite no. If a P.O. box, see instructions. 650 Liberty Avenue Tax Department	
	City or town, state, and ZIP code Union NJ 07083	Telephone number (optional) 908-855-4328

Enter name and address used on original return. If same as above, write "Same."

SAME

Internal Revenue Service Center where original return was filed ► efile

Fill in applicable items and use Part II on page 2 to explain any changes

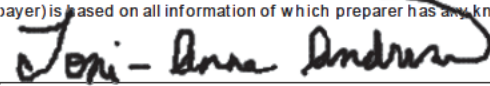
Part I Income and Deductions (see instructions)		(a) As originally reported or as previously adjusted	(b) Net change - increase or (decrease) - explain in Part II	(c) Correct amount
1	Total income	1 4,191,154,064	-19,960,271	4,171,193,793
2	Total deductions	2 3,748,664,263	-30,051,947	3,718,612,316
3	Taxable income. Subtract line 2 from line 1	3 442,489,801	10,091,676	452,581,477
4	Total tax	4 60,901,013	-9,352,953	51,548,060

Payments and Credits (see instructions)

5a	Overpayment in prior year allowed as a credit	5a 8,702,612	0	8,702,612
b	Estimated tax payments	5b 45,810,000	0	45,810,000
c	Refund applied for on Form 4466	5c 0	0	0
d	Subtract line 5c from the sum of lines 5a and 5b	5d 54,512,612	0	54,512,612
e	Tax deposited with Form 7004	5e 29,000,000	0	29,000,000
f	Credit from Form 2439	5f 0	0	0
g	Credit for federal tax on fuels and other refundable credits	5g 0	0	0
6	Tax deposited or paid with (or after) the filing of the original return	6		3,737,418
7	Add lines 5d through 6, column (c)	7		87,250,030
8	Overpayment, if any, as shown on original return or as later adjusted	8		26,349,017
9	Subtract line 8 from line 7	9		60,901,013

Tax Due or Overpayment (see instructions)

10	Tax due. Subtract line 9 from line 4, column (c). If paying by check, make it payable to the "United States Treasury"	10		0
11	Overpayment. Subtract line 4, column (c), from line 9	11		9,352,953
12	Enter the amount of line 11 you want: Credited to 20 Estimated tax 0 Refunded	12		9,352,953

Sign Here	Under penalties of perjury, I declare that I have filed an original return and that I have examined this amended return, including accompanying schedules and statements, and to the best of my knowledge and belief, this amended return is true, correct, and complete. Declaration of preparer (other than tax payer) is based on all information of which preparer has any knowledge.			
		5/25/23	V.P. Tax	
	Signature of officer Toni-Anne Andrisano	Date	Title	
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
	Firm's name	Firm's EIN		
	Firm's address	Phone no.		

Part II **Explanation of Changes to Items in Part I** (Enter the line number from Part 1 for the items you are changing, and give the reason for each change. Show any computation in detail. Also, see **What To Attach** in the instructions.)

If the change is due to a net operating loss carryback, a capital loss carryback, or a general business credit carryback, see **Carryback Claims** in the instructions, and check here ☐

STATEMENT 1

BED BATH & BEYOND
CORPORATION INCOME TAX RETURN
EIN# [REDACTED]
FYE: 03/02/2019

EXPLANATION OF AMENDED TAX RETURN CHANGES

Form 1120X, Part II – Statement 1: Explanation of Changes to Items in Part I

Form 1120X, Page 1, Line 1 – Total Income:

The reduction in total income of \$19,960,271 represents the cost of product donations that is currently deductible by Bed Bath & Beyond Inc. and Subsidiaries, (“taxpayer”) pursuant to the provisions of IRS Notice 2008-90.

On the taxpayer’s originally filed tax return, Form 1120, it generated a charitable contribution amount of \$50,017,624 pursuant to IRC §170(e)(3), the enhanced contribution deduction for its tax year end of March 2, 2019 (“TY2018”). The taxpayer’s TY2018 charitable contribution deduction was subject to the IRC §170(b)(2) contribution limitation based on taxable income on its originally filed Form 1120.

The taxpayer has determined that given their current economic situation, it is unlikely that the taxpayer will be able to utilize the TY2018 charitable contribution carryovers prior to their expiration.

The taxpayer is relying on Notice 2008-90 guidance that permits a taxpayer who makes donations during a taxable year, that qualify for the enhanced deduction under IRC Sec 170(e)(3), to elect whether to apply to some or all of such donations made during a taxable year, the special rules pursuant to IRC Sec. 170(e)(3) and the regulations thereunder (Treas. Reg. § 1.170A-4A) or, alternatively, apply the “general section 170 rules” in Treas. Reg. § 1.170A-1(c)(4) so that costs incurred in the year of contribution with respect to donated property, remain embedded in COGS (thereby increasing the COGS deduction and reducing income) and would be deductible under IRC §162.

Form 1120X, Page 1, Line 2 – Total Deductions:

The reduction in total deduction in the amount of \$30,051,947 is attributable to recalculation of the taxpayer’s deductible 10% contribution limit under IRC Sec 170(b)(2) after the application of the changes to Line 1 referenced above.

Form 1120X, Page 1, Line 3:

The increase in taxable income of \$10,091,676 is a correlative adjustment to the changes to Lines 1 and 2 referenced above

Form 1120X, Page 1, Line 4:

The reduction in tax liability of \$9,352,953 is a correlative adjustment to the changes to Lines 1 and 2 referenced above and the additional prior year minimum tax credit allowed based on this adjustment.

Form 8302 (Rev. November 2018) Department of the Treasury Internal Revenue Service	Electronic Deposit of Tax Refund of \$1 Million or More ▶ Attach to your income tax return (other than Forms 1040, 1120, or 1120S), Form 1045, or Form 1139. ▶ Go to www.irs.gov/Form8302 for the latest information.	OMB No. 1545-1763
Name(s) shown on income tax return Bed Bath & Beyond Inc. and Subsidiaries		Identifying number <div style="background-color: black; width: 100px; height: 1.2em;"></div>
Name and location (city, state) of bank JP Morgan Chase (NY, NY)		Taxpayer's phone number 908-209-3685

- 1 Method of deposit (one box must be checked)** ☒ Direct deposit ☐ Fedwire
- 2 Routing number (must be nine digits).** The first two digits must be between 01 and 12 or 21 through 32.

0 2 1 0 0 0 0 2 1
- 3 Account number (include hyphens but omit spaces and special symbols):**
- 4 Type of account (one box must be checked):**
☒ Checking ☐ Savings

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

File Form 8302 to request that the IRS electronically deposit a tax refund of \$1 million or more directly into an account at any U.S. bank or other financial institution (such as a mutual fund, credit union, or brokerage firm) that accepts electronic deposits.

The benefits of an electronic deposit include a faster refund, the added security of a paperless payment, and the savings of tax dollars associated with the reduced processing costs.

Who May File

Form 8302 may be filed with any tax return other than Form 1040, 1120, or 1120S to request an electronic deposit of a refund of \$1 million or more. You are not eligible to request an electronic deposit if:

- The receiving financial institution is a foreign bank or a foreign branch of a U.S. bank, or
- You have applied for an employer identification number but are filing your tax return before receiving one.

If Form 8302 is filed with Form 1045, Application for Tentative Refund, or Form 1139, Corporation Application for Tentative Refund, both of which allow for more than one year's reporting, electronic deposits may be made only for a year for which the refund is at least \$1 million.

Note: Filers of Form 1040 must request a direct deposit of refund by completing the account information on that form. Filers of Forms 1120 or 1120S must request a direct deposit of a refund using Form 8050, Direct Deposit of Corporate Tax Refund. This includes a request for a refund of \$1 million or more.

Conditions Resulting in a Refund by Check

If the IRS is unable to process this request for an electronic deposit, a refund by check will be generated. Reasons for not processing a request include:

- The name on the tax return does not match the name on the account.
- You fail to indicate the method of deposit to be used (direct deposit or Fedwire).
- The financial institution rejects the electronic deposit because of an incorrect routing or account number.
- You fail to indicate the type of account the deposit is to be made to (checking or savings).
- There is an outstanding liability the offset of which reduces the refund to less than \$1 million.
- You are subject to the Treasury Offset Program (TOP) and fail to indicate direct deposit as the method of deposit to be used.

How To File

Attach Form 8302 to the applicable return or application for refund. To ensure that your tax return is correctly

processed, see *Assembling the Return* in the instructions for the form with which the Form 8302 is filed. For Forms 1045 or 1139, attach a separate Form 8302 for each carryback year.

Specific Instructions

Identifying number. Enter the employer identification number or social security number shown on the tax return to which Form 8302 is attached.

Line 1. Direct deposit is an electronic payment alternative that uses the Automated Clearing House (ACH) system. Fedwire is a transaction-by-transaction processing system designed for items that must be received by payees the same day as originated by the IRS.

When there is a verified potential that the tax refund will be applied to a debt owed to a particular agency, a Fedwire deposit will be rejected due to the offset. To receive an electronic deposit, elect to use the direct deposit method of deposit instead of Fedwire.

Line 2. Enter the financial institution's routing number and verify that the institution will accept the type of electronic deposit requested. See the

Sample Check

ABC Corporation
123 Main Street
Anyplace, NJ 07000

PAY TO THE ORDER OF _____ \$ 1234

DOLLARS

ANYTOWN BANK
Anytown, MD 20000

For _____

Routing number (line 2)
Account number (line 3)

SAMPLE

1: 250250025 : 202020 86 1234

Do not include the check number.

Note: The routing and account numbers may be in different places on your check.

1120Form
Department of the Treasury
Internal Revenue Service**U.S. Corporation Income Tax Return**

OMB No. 1545-0123

For calendar year 2018 or tax year beginning 03 04, 2018, ending 03 02, 20 19

Go to www.irs.gov/Form1120 for instructions and the latest information.**2018****A Check if:**

- 1a Consolidated return (attach Form 851) ☐
- b Life/nonlife consolidated return ☐
- 2 Personal holding co. (attach Sch. PH) ☐
- 3 Personal service corp. (see instructions) ☐
- 4 Schedule M-3 attached ☒

**TYPE
OR
PRINT**

Name, Number, street, and room or suite no. If a P.O. box, see instructions.
City or town, state, or province, country and ZIP or foreign postal code

Bed Bath & Beyond Inc. and Subsidiaries
650 Liberty Avenue
Tax Department
Union NJ 07083

B Employer identification number**C Date incorporated**

10 05 1971

D Total assets (see instructions)

\$ 6,425,788,455

E Check if: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☒ Address change**Income**

1a	Gross receipts or sales	1a	11,683,351,615	
b	Returns and allowances	1b	0	
c	Balance. Subtract line 1b from line 1a	1c	11,683,351,615	
2	Cost of goods sold (attach Form 1125-A)	2	7,719,361,607	
3	Gross profit. Subtract line 2 from line 1c	3	3,963,990,008	
4	Dividends and inclusions (Schedule C, line 23, column (a))	4	1,143,096	
5	Interest	5	11,275,040	
6	Gross rents	6	42,526,754	
7	Gross royalties	7	5,733,948	
8	Capital gain net income (attach Schedule D (Form 1120))	8	38,956,816	
9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	9	411,653	
10	Other income (see instructions-- attach statement) STATEMENT 1	10	107,156,478	
11	Total income. Add lines 3 through 10	11	4,171,193,793	

Deductions

12	Compensation of officers (see instructions-- attach Form 1125-E)	12	5,321,000	
13	Salaries and wages (less employment credits)	13	1,258,762,125	
14	Repairs and maintenance	14	75,170,955	
15	Bad debts	15	-76,474	
16	Rents	16	571,233,039	
17	Taxes and licenses STATEMENT 2	17	274,919,511	
18	Interest (see instructions)	18	81,917,993	
19	Charitable contributions	19	19,965,677	
20	Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	20	182,355,421	
21	Depletion	21	0	
22	Advertising	22	405,772,651	
23	Pension, profit-sharing, etc., plans	23	11,966,834	
24	Employee benefit programs	24	152,957,948	
25	Reserved for future use	25		
26	Other deductions (attach statement) STATEMENT 3	26	665,075,758	
27	Total deductions. Add lines 12 through 26	27	3,705,342,438	
28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11.	28	465,851,355	
29a	Net operating loss deduction (see instructions)	29a	5,552,608	
b	Special deductions (Schedule C, line 24, column (c))	29b	7,717,270	
c	Add lines 29a and 29b	29c	13,269,878	

Tax Payments

30	Taxable income. Subtract line 29c from line 28. See instructions	30	452,581,477	
31	Total tax (Schedule J, Part I, line 11)	31	51,548,060	
32	2018 net 965 tax liability paid (Schedule J, Part II, line 12)	32	0	
33	Total payments, credits, and section 965 net tax liability (Schedule J, Part III, line 23)	33	60,901,013	
34	Estimated tax penalty. See instructions. Check if Form 2220 is attached <input checked="" type="checkbox"/>	34	0	
35	Amount owed. If line 33 is smaller than the total of lines 31, 32, and 34, enter amount owed	35	0	
36	Overpayment. If line 33 is larger than the total of lines 31, 32, and 34, enter amount overpaid	36	9,352,953	
37	Enter amount from line 36 you want: Credited to 2019 estimated tax 0 Refunded	37	9,352,953	

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Toni-Anne Andrisano
Signature of officer Toni-Anne Andrisano

5/25/23
Date

V.P. Tax
Title

May the IRS discuss this return with the preparer shown below? See instructions. ☐ Yes ☒ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name				Firm's EIN
Firm's address				Phone no.

For Paperwork Reduction Act Notice, see separate instructions.

F8.00.01 US1120P1 Form 1120 (2018)

ERF

0

Form 1120 (2018)

Bed Bath & Beyond Inc. and Subsidiaries

Page 2

Schedule C Dividends, Inclusions, and Special Deductions (see instructions)		(a) Dividends and inclusions	(b) %	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	517,542	50	258,771
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)	0	65	0
3	Dividends on certain debt-financed stock of domestic and foreign corporations	0	see instructions	0
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	0	23.3	0
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	0	26.7	0
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs	0	50	0
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs	0	65	0
8	Dividends from wholly owned foreign subsidiaries	0	100	0
9	Subtotal. Add lines 1 through 8. See instructions for limitations	517,542	see instructions	258,771
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	0	100	0
11	Dividends from affiliated group members	0	100	0
12	Dividends from certain FSCs	0	100	0
13	Foreign-source portion of dividends received from a specified 10%-owned foreign corporation (excluding hybrid dividends) (see instructions)	0	100	0
14	Dividends from foreign corporations not included on line 3, 6, 7, 8, 11, 12, or 13 (including any hybrid dividends)	98,318		
15	Section 965(a) inclusion	0	see instructions	0
16a	Subpart F inclusions derived from the sale by a controlled foreign corporation (CFC) of the stock of a lower-tier foreign corporation treated as a dividend (attach Form(s) 5471) (see instructions)	0	100	0
b	Subpart F inclusions derived from hybrid dividends of tiered corporations (attach Form(s) 5471) (see instructions)	0		
c	Other inclusions from CFCs under subpart F not included on line 15, 16a, 16b, or 17 (attach Form(s) 5471) (see instructions)	5,802		
17	Global Intangible Low-Taxed Income (GILTI) (attach Form(s) 5471 and Form 8992)	48,467		
18	Gross-up for foreign taxes deemed paid	10,029		
19	IC-DISC and former DISC dividends not included on lines 1, 2, or 3	0		
20	Other dividends	462,938		
21	Deduction for dividends paid on certain preferred stock of public utilities			0
22	Section 250 deduction (attach Form 8993)			7,458,499
23	Total dividends and inclusions. Add lines 9 through 20. Enter here and on page 1, line 4	1,143,096		
24	Total special deductions. Add lines 9 through 22, column (c). Enter here and on page 1, line 29b			7,717,270

Form 1120 (2018)

Schedule J Tax Computation and Payment (see instructions)**Part I - Tax Computation**

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120)). See inst. ▶ <input type="checkbox"/>		
2	Income tax. See instructions	2	95,042,110
3	Base erosion minimum tax (attach Form 8991)	3	0
4	Add lines 2 and 3	4	95,042,110
5a	Foreign tax credit (attach Form 1118)	5a	2,100,729
b	Credit from Form 8834 (see instructions)	5b	0
c	General business credit (attach Form 3800)	5c	3,572,099
d	Credit for prior year minimum tax (attach Form 8827)	5d	37,821,222
e	Bond credits from Form 8912	5e	0
6	Total credits. Add lines 5a through 5e	6	43,494,050
7	Subtract line 6 from line 4	7	51,548,060
8	Personal holding company tax (attach Schedule PH (Form 1120))	8	0
9a	Recapture of investment credit (attach Form 4255)	9a	0
b	Recapture of low-income housing credit (attach Form 8611)	9b	0
c	Interest due under the look-back method-- completed long-term contracts (attach Form 8697)	9c	0
d	Interest due under the look-back method-- income forecast method (attach Form 8866)	9d	0
e	Alternative tax on qualifying shipping activities (attach Form 8902)	9e	0
f	Other (see instructions-- attach statement)	9f	0
10	Total. Add lines 9a through 9f	10	0
11	Total tax. Add lines 7, 8, and 10. Enter here and on page 1, line 31	11	51,548,060

Part II - Section 965 Payments (see instructions)

12	2018 net 965 tax liability paid from Form 965-B, Part II, column (k), line 2. Enter here and on page 1, line 32 . .	12	0
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Part III - Payments, Refundable Credits, and Section 965 Net Tax Liability

13	2017 overpayment credited to 2018	13	8,702,612
14	2018 estimated tax payments	14	45,810,000
15	2018 refund applied for on Form 4466	15	(0)
16	Combine lines 13, 14, and 15	16	54,512,612
17	Tax deposited with Form 7004	17	29,000,000
18	Withholding (see instructions)	18	0
19	Total payments. Add lines 16, 17, and 18	19	83,512,612
20	Refundable credits from:		
a	Form 2439	20a	0
b	Form 4136	20b	0
c	Form 8827, line 8c	20c	0
d	Other (attach statement-- see instructions) STATEMENT 4	20d	-22,611,599
21	Total credits. Add lines 20a through 20d	21	-22,611,599
22	2018 net 965 tax liability from Form 965-B, Part I, column (d), line 2. See instructions	22	0
23	Total payments, credits, and section 965 net tax liability. Add lines 19, 21, and 22. Enter here and on page 1, line 33	23	60,901,013

Schedule K Other Information (see instructions)

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) _____	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. <input type="checkbox"/> 442299		
b	Business activity <input type="checkbox"/> RETAIL SALES		
c	Product or service <input type="checkbox"/> LINENS AND HOUSEWARES		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidary controlled group? If "Yes," enter name and EIN of the parent corporation <input type="checkbox"/>		X
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)		X
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G) . . .		X
5	At the end of the tax year, did the corporation:		
a	Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.	X	
(i) Name of Corporation		(ii) Employer Identification Number (if any)	(iii) Country of Incorporation
SEE STATEMENT ATTACHED			(iv) Percentage Owned in Voting Stock
			0.000
			0.000
			0.000
b	Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.	X	
(i) Name of Entity		(ii) Employer Identification Number (if any)	(iii) Country of Organization
BED BATH & BEYOND MEXICO S. DE R.L. DE C.V.		98-0581587	(iv) Maximum Percentage Owned in Profit, Loss, or Capital
			0.000
			0.000
			0.000
6	During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? See sections 301 and 316. If "Yes," file Form 5452, Corporate Report of Nondividend Distributions. See the instructions for Form 5452. If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.		X
7	At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of the total voting power of all classes of the corporation's stock entitled to vote or at least 25% of the total value of all classes of the corporation's stock? For rules of attribution, see section 318. If "Yes," enter: (a) Percentage owned <input type="checkbox"/> and (b) Owner's country <input type="checkbox"/> (c) The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached <input type="checkbox"/>		X
8	Check this box if the corporation issued publicly offered debt instruments with original issue discount. <input type="checkbox"/> If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.		
9	Enter the amount of tax-exempt interest received or accrued during the tax year <input type="checkbox"/> \$ 529,039		
10	Enter the number of shareholders at the end of the tax year (if 100 or fewer) <input type="checkbox"/>		
11	If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here (see instructions) <input type="checkbox"/> If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.		
12	Enter the available NOL carryover from prior tax years (do not reduce it by any deduction reported on page 1, line 29a.) <input type="checkbox"/> \$ 5,552,608		

Form 1120 (2018)

Page 5

Schedule K Other Information (continued from page 4)

	Yes	No
13 Are the corporation's total receipts (page 1, line 1a, plus lines 4 through 10) for the tax year and its total assets at the end of the tax year less than \$250,000?		X
If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶\$ 0		
14 Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement? See instructions	X	
If "Yes," complete and attach Schedule UTP.		
15a Did the corporation make any payments in 2018 that would require it to file Form(s) 1099?	X	
b If "Yes," did or will the corporation file all required Forms 1099?	X	
16 During this tax year, did the corporation have an 80% or more change in ownership, including a change due to redemption of its own stock?		X
17 During or subsequent to this tax year, but before the filing of this return, did the corporation dispose of more than 65% (by value) of its assets in a taxable, non-taxable, or tax deferred transaction?		X
18 Did the corporation receive assets in a section 351 transfer in which any of the transferred assets had a fair market basis or fair market value of more than \$1 million?		X
19 During the corporation's tax year, did the corporation make any payments that would require it to file Forms 1042 and 1042-S under chapter 3 (sections 1441 through 1464) or chapter 4 (sections 1471 through 1474) of the Code?		X
20 Is the corporation operating on a cooperative basis?		
21 During the tax year, did the corporation pay or accrue any interest or royalty for which the deduction is not allowed under section 267A? See instructions		
If "Yes," enter the total amount of the disallowed deductions ▶\$ 0		
22 Does the corporation have gross receipts of at least \$500 million in any of the 3 preceding tax years? (See sections 59A(e)(2) and (3))		
If "Yes," complete and attach Form 8991.		
23 Did the corporation have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions		
24 Does the corporation satisfy one of the following conditions and the corporation does not own a pass-through entity with current year, or prior year carryover, excess business interest expense? See instructions		
a The corporation's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year do not exceed \$25 million, and the corporation is not a tax shelter, or		
b The corporation only has business interest expense from (1) an electing real property trade or business, (2) an electing farming business, or (3) certain utility businesses under section 163(j)(7).		
If "No," complete and attach Form 8990.		
25 Is the corporation attaching Form 8996 to certify as a Qualified Opportunity Fund?		
If "Yes," enter amount from Form 8996, line 13 ▶\$ 0		

Form 1120 (2018)

Schedule L Balance Sheets per Books

		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		321,724,187		412,507,825
2a	Trade notes and accounts receivable	129,488,959		81,722,573	
b	Less allowance for bad debts	(0)	129,488,959	(0)	81,722,573
3	Inventories		2,625,858,204		2,512,666,849
4	U.S. government obligations		0		0
5	Tax-exempt securities (see instructions)		0		0
6	Other current assets (attach statement)	STATEMENT 5	764,769,205	STATEMENT 10	764,171,932
7	Loans to shareholders		0		0
8	Mortgage and real estate loans		0		0
9	Other investments (attach statement)		0		0
10a	Buildings and other depreciable assets	4,815,527,512		5,118,886,075	
b	Less accumulated depreciation	(3,093,593,266)	1,721,934,246	(3,443,456,403)	1,675,429,672
11a	Depletable assets	0		0	
b	Less accumulated depletion	(0)	0	(0)	0
12	Land (net of any amortization)		151,218,997		144,626,002
13a	Intangible assets (amortizable only)	0		0	
b	Less accumulated amortization	(0)	0	(0)	0
14	Other assets (attach statement)	STATEMENT 6	1,188,273,177	STATEMENT 11	834,663,602
15	Total assets		6,903,266,975		6,425,788,455
Liabilities and Shareholders' Equity					
16	Accounts payable		1,065,961,067		985,887,625
17	Mortgages, notes, bonds payable in less than 1 year		1,501,542		3,318,744
18	Other current liabilities (attach statement)	STATEMENT 7	1,051,621,746	STATEMENT 12	579,935,053
19	Loans from shareholders		0		0
20	Mortgages, notes, bonds payable in 1 year or more		101,713,421		100,876,267
21	Other liabilities (attach statement)	STATEMENT 8	2,079,462,099	STATEMENT 13	2,694,945,699
22	Capital stock: a Preferred stock	0		0	
	b Common stock	2,296,230	2,296,230	2,304,100	2,304,100
23	Additional paid-in capital		2,057,938,960		2,118,636,704
24	Retained earnings - Appropriated (attach statement)		0		0
25	Retained earnings - Unappropriated		11,005,655,888		10,545,047,940
26	Adjustments to shareholders' equity (attach statement)	STATEMENT 9	5,088,391	STATEMENT 14	10,881,089
27	Less cost of treasury stock		(10,467,972,369)		(10,616,044,766)
28	Total liabilities and shareholders' equity		6,903,266,975		6,425,788,455

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: The corporation may be required to file Schedule M-3. See instructions.

1	Net income (loss) per books	0	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books	0		Tax-exempt interest \$	0
3	Excess of capital losses over capital gains	0			0
4	Income subject to tax not recorded on books this year (itemize):	0			0
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
a	Depreciation \$	0		a Depreciation \$	0
b	Charitable contributions \$	0		b Charitable contributions \$	0
c	Travel & entertainment \$	0			0
		0	9	Add lines 7 and 8	0
6	Add lines 1 through 5	0	10	Income (page 1, line 28) - line 6 less line 9	0

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year	11,005,655,888	5	Distributions: a Cash	0
2	Net income (loss) per books	-134,728,998		b Stock	319,921,810
3	Other increases (itemize):			c Property	0
		0	6	Other decreases (itemize): STATEMENT 15	5,957,140
4	Add lines 1, 2, and 3	10,870,926,890	7	Add lines 5 and 6	325,878,950
			8	Balance at end of year (line 4 less line 7)	10,545,047,940

Form **1125-A**

(Rev. November 2018)

Department of the Treasury
Internal Revenue Service**Cost of Goods Sold**

► Attach to Form 1120, 1120-C, 1120-F, 1120S, or 1065.
► Go to www.irs.gov/Form1125A for the latest information.

OMB No. 1545-0123

Name Bed Bath & Beyond Inc. and Subsidiaries		Employer identification number [REDACTED]
1	Inventory at beginning of year	2,700,252,851
2	Purchases	8,719,431,862
3	Cost of labor	0
4	Additional section 263A costs (attach schedule) STATEMENT 16	-5,086,011
5	Other costs (attach schedule) STATEMENT 17	-1,182,570,246
6	Total. Add lines 1 through 5	10,232,028,456
7	Inventory at end of year	2,512,666,849
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return. See instructions	7,719,361,607

9a Check all methods used for valuing closing inventory:

(i) ☒ Cost

(ii) ☐ Lower of cost or market

(iii) ☒ Other (Specify method used and attach explanation.) ► RETAIL METHOD

b Check if there was a writedown of subnormal goods ► ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ► ☐

d If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO. **9d** 0

e If property is produced or acquired for resale, do the rules of section 263A apply to the entity? See instructions ☒ Yes ☐ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation ☐ Yes ☒ No

For Paperwork Reduction Act Notice, see separate instructions.

Form **1125-A** (Rev. 11-2018)

ERF

SCHEDULE M-3
(Form 1120)**Net Income (Loss) Reconciliation for Corporations
With Total Assets of \$10 Million or More**

OMB No. 1545-0123

2018Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1120 or 1120-C.

▶ Go to www.irs.gov/Form1120 for instructions and the latest information.

Name of corporation (common parent, if consolidated return)

Employer identification number

Bed Bath & Beyond Inc. and Subsidiaries

[REDACTED]

- Check applicable box(es): (1) ☐ Non-consolidated return (2) ☒ Consolidated return (Form 1120 only)
- (3) ☐ Mixed 1120/L/PC group (4) ☐ Dormant subsidiaries schedule attached

Part I Financial Information and Net Income (Loss) Reconciliation (see instructions)**1a** Did the corporation file SEC Form 10-K for its income statement period ending with or within this tax year?

- ☒ **Yes.** Skip lines 1b and 1c and complete lines 2a through 11 with respect to that SEC Form 10-K.
- ☐ **No.** Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared.

b Did the corporation prepare a certified audited non-tax-basis income statement for that period?

- ☐ **Yes.** Skip line 1c and complete lines 2a through 11 with respect to that income statement.
- ☐ **No.** Go to line 1c.

c Did the corporation prepare a non-tax-basis income statement for that period?

- ☐ **Yes.** Complete lines 2a through 11 with respect to that income statement.
- ☐ **No.** Skip lines 2a through 3c and enter the corporation's net income (loss) per its books and records on line 4a.

2a Enter the income statement period: Beginning 03 04 2018 Ending 03 02 2019**b** Has the corporation's income statement been restated for the income statement period on line 2a?

- ☐ **Yes.** (If "Yes," attach an explanation and the amount of each item restated.)
- ☒ **No.**

c Has the corporation's income statement been restated for any of the five income statement periods immediately preceding the period on line 2a?

- ☐ **Yes.** (If "Yes," attach an explanation and the amount of each item restated.)
- ☒ **No.**

3a Is any of the corporation's voting common stock publicly traded?

- ☒ **Yes.**
- ☐ **No.** If "No," go to line 4a.

b Enter the symbol of the corporation's primary U.S. publicly traded voting common stock

BBBY

c Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock

075896100

4a Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1	4a	-137,223,701
b Indicate accounting standard used for line 4a (see instructions): (1) <input checked="" type="checkbox"/> GAAP (2) <input type="checkbox"/> IFRS (3) <input type="checkbox"/> Statutory (4) <input type="checkbox"/> Tax-basis (5) <input type="checkbox"/> Other (specify) _____		
5a Net income from nonincludible foreign entities (attach statement)	5a	(3,565,942)
b Net loss from nonincludible foreign entities (attach statement and enter as a positive amount)	5b	6,060,645
6a Net income from nonincludible U.S. entities (attach statement)	6a	(0)
b Net loss from nonincludible U.S. entities (attach statement and enter as a positive amount)	6b	0
7a Net income (loss) of other includible foreign disregarded entities (attach statement)	7a	0
b Net income (loss) of other includible U.S. disregarded entities (attach statement)	7b	0
c Net income (loss) of other includible entities (attach statement)	7c	0
8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach statement)	8	0
9 Adjustment to reconcile income statement period to tax year (attach statement)	9	0
10a Intercompany dividend adjustments to reconcile to line 11 (attach statement)	10a	0
b Other statutory accounting adjustments to reconcile to line 11 (attach statement)	10b	0
c Other adjustments to reconcile to amount on line 11 (attach statement)	10c	0
11 Net income (loss) per income statement of includible corporations. Combine lines 4 through 10 Note. Part I, line 11, must equal Part II, line 30, column (a), and Schedule M-1, line 1 (see instructions).	11	-134,728,998

12 Enter the total amount (not just the corporation's share) of the assets and liabilities of all entities included or removed on the following lines.

	Total Assets	Total Liabilities
a Included on Part I, line 4	6,570,540,761	4,010,209,514
b Removed on Part I, line 5	170,796,248	57,063,155
c Removed on Part I, line 6	0	0
d Included on Part I, line 7	0	0

For Paperwork Reduction Act Notice, see the Instructions for Form 1120.

Schedule M-3 (Form 1120) 2018

ERF

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Name of corporation (common parent, if consolidated return)

Employer identification number

Bed Bath & Beyond Inc. and Subsidiaries

Check applicable box(es): (1) ☒ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☐ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

Income (Loss) Items (Attach statements for lines 1 through 12)	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1 Income (loss) from equity method foreign corporations	0	0	0	
2 Gross foreign dividends not previously taxed	0	98,318	0	98,318
3 Subpart F, QEF, and similar income inclusions		5,802	48,467	54,269
4 Gross-up for foreign taxes deemed paid		10,029	0	10,029
5 Gross foreign distributions previously taxed	0	0	0	
6 Income (loss) from equity method U.S. corporations	0	0	0	
7 U.S. dividends not eliminated in tax consolidation	0	980,480	0	980,480
8 Minority interest for includible corporations	0	0	0	
9 Income (loss) from U.S. partnerships	0	0	0	0
10 Income (loss) from foreign partnerships	2,088,041	2,533,669	0	4,621,710
11 Income (loss) from other pass-through entities	0	0	0	0
12 Items relating to reportable transactions	0	0	0	0
13 Interest income (see instructions)	10,890,897	-287,794	671,937	11,275,040
14 Total accrual to cash adjustment	0	0	0	0
15 Hedging transactions	0	0	0	0
16 Mark-to-market income (loss)	0	0	0	0
17 Cost of goods sold (see instructions)	(7,711,264,899)	-8,096,708	0	(7,719,361,607)
18 Sale versus lease (for sellers and/or lessors)	0	0	0	0
19 Section 481(a) adjustments		7,191,230	0	7,191,230
20 Unearned/deferred revenue	0	33,033,278	0	33,033,278
21 Income recognition from long-term contracts	0	0	0	0
22 Original issue discount and other imputed interest	0	0	0	0
23a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities	28,829,730	-28,829,730	0	
b Gross capital gains from Schedule D, excluding amounts from pass-through entities		39,165,392	0	39,165,392
c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses		-208,576	0	-208,576
d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses		411,653	0	411,653
e Abandonment losses		0	0	0
f Worthless stock losses (attach statement)		0	0	0
g Other gain/loss on disposition of assets other than inventory		0	0	0
24 Capital loss limitation and carryforward used		0	0	0
25 Other income (loss) items with differences (attach statement)	8,342,190,438	-6,811,365	0	8,335,379,073
26 Total income (loss) items. Combine lines 1 through 25	672,734,207	39,195,678	720,404	712,650,289
27 Total expense/deduction items (from Part III, line 39)	-3,883,818,585	411,962,337	148,701,934	-3,323,154,314
28 Other items with no differences	3,076,355,380			3,076,355,380
29a Mixed groups, see instructions. All others, combine lines 26 through 28	-134,728,998	451,158,015	149,422,338	465,851,355
b PC insurance subgroup reconciliation totals	0	0	0	0
c Life insurance subgroup reconciliation totals	0	0	0	0
30 Reconciliation totals. Combine lines 29a through 29c	-134,728,998	451,158,015	149,422,338	465,851,355

Note. Line 30, column (a), must equal Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Name of corporation (common parent, if consolidated return)

Employer identification number

Bed Bath & Beyond Inc. and Subsidiaries

Check applicable box(es): (1) ☒ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☐ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return-Expense/Deduction Items (see instructions)

Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 U.S. current income tax expense	86,369,000	0	-86,369,000	
2 U.S. deferred income tax expense	0	0	0	
3 State and local current income tax expense	-104,469,171	0	113,153,041	8,683,870
4 State and local deferred income tax expense	0	0	0	
5 Foreign current income tax expense (other than foreign withholding taxes)	0	0	0	0
6 Foreign deferred income tax expense	0	0	0	
7 Foreign withholding taxes	0	-252,755	0	-252,755
8 Interest expense (see instructions)	81,477,771	0	440,222	81,917,993
9 Stock option expense	0	-7,863,583	0	-7,863,583
10 Other equity-based compensation	0	27,878,683	-47,950,830	-20,072,147
11 Meals and entertainment	3,567,406	0	-1,787,811	1,779,595
12 Fines and penalties	142,293	0	-142,293	0
13 Judgments, damages, awards, and similar costs	0	0	0	0
14 Parachute payments	0	0	0	0
15 Compensation with section 162(m) limitation	0	0	-10,289,295	-10,289,295
16 Pension and profit-sharing	11,549,816	417,018	0	11,966,834
17 Other post-retirement benefits	0	0	0	0
18 Deferred compensation	0	46,416,612	0	46,416,612
19 Charitable contribution of cash and tangible property	324,032	19,641,645	0	19,965,677
20 Charitable contribution of intangible property	0	0	0	0
21 Charitable contribution limitation/carryforward		0	0	0
22 Domestic production activities deduction (See instr.)		0	0	0
23 Current year acquisition or reorganization investment banking fees	0	0	25,246	25,246
24 Current year acquisition or reorganization legal and accounting fees	0	0	0	0
25 Current year acquisition/reorganization other costs	0	0	0	0
26 Amortization/impairment of goodwill	0	10,463,174	0	10,463,174
27 Amortization of acquisition, reorganization, and start-up costs	0	4,319,893	0	4,319,893
28 Other amortization or impairment write-offs	487,646,166	-340,601,689	-128,604,162	18,440,315
29 Reserved				
30 Depletion	0	0	0	0
31 Depreciation	350,636,734	-168,281,313	0	182,355,421
32 Bad debt expense	490,667	-567,141	0	-76,474
33 Corporate owned life insurance premiums	0	0	0	0
34 Purchase versus lease (for purchasers and/or lessees)	0	0	0	0
35 Research and development costs	0	0	0	0
36 Section 118 exclusion (attach statement)	0	0	0	0
37 Section 162(r)- FDIC premiums paid by certain large financial institutions (see instructions)	0	0	0	0
38 Other expense/deduction items with differences (attach statement)	2,966,083,871	-3,532,881	12,822,948	2,975,373,938
39 Total expense/deduction items. Combine lines 1 through 38. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive	3,883,818,585	-411,962,337	-148,701,934	3,323,154,314

Form

8827Department of the Treasury
Internal Revenue Service**Credit for Prior Year Minimum Tax — Corporations**

▶ Attach to the corporation's tax return.

▶ Go to www.irs.gov/Form8827 for the latest information.

OMB No. 1545-0123

2018

Name		Employer identification number	
Bed Bath & Beyond Inc. and Subsidiaries		[REDACTED]	
1	Alternative minimum tax (AMT) for 2017. Enter the amount from line 14 of the 2017 Form 4626	1	0
2	Minimum tax credit carryforward from 2017. Enter the amount from line 9 of the 2017 Form 8827	2	37,821,222
3	Enter any 2017 unallowed qualified electric vehicle credit (see instructions)	3	0
4	Add lines 1, 2, and 3	4	37,821,222
5	Enter the corporation's 2018 regular income tax liability minus allowable tax credits (see instructions)	5	89,369,282
6	Enter the refundable minimum tax credit (see instructions)	6	0
7	Add lines 5 and 6	7	89,369,282
8a	Enter the smaller of line 4 or line 7. If the corporation had a post- 1986 ownership change or has pre- acquisition excess credits, see instructions	8a	37,821,222
b	Current year minimum tax credit. Enter the smaller of line 4 or line 5 here and on Form 1120, Schedule J, Part I, line 5d (or the applicable line of your return). If the corporation had a post- 1986 ownership change or has pre- acquisition excess credits, see instructions. If you made an entry on line 6, go to line 8c. Otherwise, skip line 8c.	8b	37,821,222
c	Subtract line 8b from line 8a. This is the current year refundable minimum tax credit. Include this amount on Form 1120, Schedule J, Part III, line 20c (or the applicable line of your return)	8c	0
9	Minimum tax credit carryforward to 2019. Subtract line 8a from line 4. Keep a record of this amount to carry forward and use in future years	9	0

1120Form
Department of the Treasury
Internal Revenue Service**U.S. Corporation Income Tax Return**

OMB No. 1545-0123

For calendar year 2018 or tax year beginning 03 04, 2018, ending 03 02, 20 19

Go to www.irs.gov/Form1120 for instructions and the latest information.**2018****A Check if:**

- 1a Consolidated return (attach Form 851) ☒
- b Life/nonlife consolidated return ☐
- 2 Personal holding co. (attach Sch. PH) ☐
- 3 Personal service corp. (see instructions) ☐
- 4 Schedule M-3 attached ☒

**TYPE
OR
PRINT**

Name, Number, street, and room or suite no. If a P.O. box, see instructions.
City or town, state, or province, country and ZIP or foreign postal code

Bed Bath & Beyond Inc. and Subsidiaries
650 Liberty Avenue
Tax Department
Union NJ 07083

B Employer identification number**C Date incorporated**

10 05 1971

D Total assets (see instructions)

\$ 6,425,788,455

E Check if: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☒ Address change**Income**

1a	Gross receipts or sales	1a	11,683,351,615	
b	Returns and allowances	1b	0	
c	Balance. Subtract line 1b from line 1a	1c	11,683,351,615	
2	Cost of goods sold (attach Form 1125-A)	2	7,699,401,336	
3	Gross profit. Subtract line 2 from line 1c	3	3,983,950,279	
4	Dividends and inclusions (Schedule C, line 23, column (a))	4	1,143,096	
5	Interest	5	11,275,040	
6	Gross rents	6	42,526,754	
7	Gross royalties	7	5,733,948	
8	Capital gain net income (attach Schedule D (Form 1120))	8	38,956,816	
9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	9	411,653	
10	Other income (see instructions - attach statement) STATEMENT 1	10	107,156,478	
11	Total income. Add lines 3 through 10	11	4,191,154,064	

Deductions

12	Compensation of officers (see instructions - attach Form 1125-E)	12	5,321,000	
13	Salaries and wages (less employment credits)	13	1,258,762,125	
14	Repairs and maintenance	14	75,170,955	
15	Bad debts	15	-76,474	
16	Rents	16	571,233,039	
17	Taxes and licenses STATEMENT 2	17	274,919,511	
18	Interest (see instructions)	18	81,917,993	
19	Charitable contributions	19	50,017,624	
20	Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	20	182,355,421	
21	Depletion	21	0	
22	Advertising	22	405,772,651	
23	Pension, profit-sharing, etc., plans	23	11,966,834	
24	Employee benefit programs	24	152,957,948	
25	Reserved for future use	25		
26	Other deductions (attach statement) STATEMENT 3	26	665,075,758	
27	Total deductions. Add lines 12 through 26	27	3,735,394,385	
28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11.	28	455,759,679	
29a	Net operating loss deduction (see instructions)	29a	5,552,608	
b	Special deductions (Schedule C, line 24, column (c))	29b	7,717,270	
c	Add lines 29a and 29b	29c	13,269,878	

Tax Payments

30	Taxable income. Subtract line 29c from line 28. See instructions	30	442,489,801	
31	Total tax (Schedule J, Part I, line 11)	31	60,901,013	
32	2018 net 965 tax liability paid (Schedule J, Part II, line 12)	32	0	
33	Total payments, credits, and section 965 net tax liability (Schedule J, Part III, line 23)	33	70,495,221	
34	Estimated tax penalty. See instructions. Check if Form 2220 is attached <input checked="" type="checkbox"/>	34	0	
35	Amount owed. If line 33 is smaller than the total of lines 31, 32, and 34, enter amount owed	35	0	
36	Overpayment. If line 33 is larger than the total of lines 31, 32, and 34, enter amount overpaid	36	9,594,208	
37	Enter amount from line 36 you want: Credited to 2019 estimated tax 0 Refunded	37	9,594,208	

**Sign
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer Robyn D'Elia

Date

CHIEF FINANCIAL OFFICER

Title

May the IRS discuss this return with the preparer shown below? See instructions. ☐ Yes ☐ No**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed PTIN

Firm's name

Firm's EIN

Firm's address

Phone no.

Form 1120 (2018)

Bed Bath & Beyond Inc. and Subsidiaries

Page 2

Schedule C Dividends, Inclusions, and Special Deductions (see instructions)		(a) Dividends and inclusions	(b) %	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	517,542	50	258,771
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)	0	65	0
3	Dividends on certain debt-financed stock of domestic and foreign corporations	0	see instructions	0
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	0	23.3	0
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	0	26.7	0
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs	0	50	0
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs	0	65	0
8	Dividends from wholly owned foreign subsidiaries	0	100	0
9	Subtotal. Add lines 1 through 8. See instructions for limitations	517,542	see instructions	258,771
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	0	100	0
11	Dividends from affiliated group members	0	100	0
12	Dividends from certain FSCs	0	100	0
13	Foreign-source portion of dividends received from a specified 10%-owned foreign corporation (excluding hybrid dividends) (see instructions)	0	100	0
14	Dividends from foreign corporations not included on line 3, 6, 7, 8, 11, 12, or 13 (including any hybrid dividends)	98,318		
15	Section 965(a) inclusion	0	see instructions	0
16a	Subpart F inclusions derived from the sale by a controlled foreign corporation (CFC) of the stock of a lower-tier foreign corporation treated as a dividend (attach Form(s) 5471) (see instructions)	0	100	0
b	Subpart F inclusions derived from hybrid dividends of tiered corporations (attach Form(s) 5471) (see instructions)	0		
c	Other inclusions from CFCs under subpart F not included on line 15, 16a, 16b, or 17 (attach Form(s) 5471) (see instructions)	5,802		
17	Global Intangible Low-Taxed Income (GILTI) (attach Form(s) 5471 and Form 8992)	48,467		
18	Gross-up for foreign taxes deemed paid	10,029		
19	IC-DISC and former DISC dividends not included on lines 1, 2, or 3	0		
20	Other dividends	462,938		
21	Deduction for dividends paid on certain preferred stock of public utilities			0
22	Section 250 deduction (attach Form 8993)			7,458,499
23	Total dividends and inclusions. Add lines 9 through 20. Enter here and on page 1, line 4	1,143,096		
24	Total special deductions. Add lines 9 through 22, column (c). Enter here and on page 1, line 29b			7,717,270

Form 1120 (2018)

Schedule J Tax Computation and Payment (see instructions)**Part I - Tax Computation**

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120)). See inst.	<input type="checkbox"/>	
2	Income tax. See instructions.		92,922,858
3	Base erosion minimum tax (attach Form 8991)		0
4	Add lines 2 and 3		92,922,858
5a	Foreign tax credit (attach Form 1118)	5a	2,100,729
b	Credit from Form 8834 (see instructions)	5b	0
c	General business credit (attach Form 3800)	5c	3,572,099
d	Credit for prior year minimum tax (attach Form 8827)	5d	26,349,017
e	Bond credits from Form 8912	5e	0
6	Total credits. Add lines 5a through 5e	6	32,021,845
7	Subtract line 6 from line 4	7	60,901,013
8	Personal holding company tax (attach Schedule PH (Form 1120))	8	0
9a	Recapture of investment credit (attach Form 4255)	9a	0
b	Recapture of low-income housing credit (attach Form 8611)	9b	0
c	Interest due under the look-back method-- completed long-term contracts (attach Form 8697)	9c	0
d	Interest due under the look-back method-- income forecast method (attach Form 8866)	9d	0
e	Alternative tax on qualifying shipping activities (attach Form 8902)	9e	0
f	Other (see instructions-- attach statement)	9f	0
10	Total. Add lines 9a through 9f	10	0
11	Total tax. Add lines 7, 8, and 10. Enter here and on page 1, line 31	11	60,901,013

Part II - Section 965 Payments (see instructions)

12	2018 net 965 tax liability paid from Form 965-B, Part II, column (k), line 2. Enter here and on page 1, line 32	12	0
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Part III - Payments, Refundable Credits, and Section 965 Net Tax Liability

13	2017 overpayment credited to 2018	13	8,702,612
14	2018 estimated tax payments	14	45,810,000
15	2018 refund applied for on Form 4466	15	0
16	Combine lines 13, 14, and 15	16	54,512,612
17	Tax deposited with Form 7004	17	29,000,000
18	Withholding (see instructions)	18	0
19	Total payments. Add lines 16, 17, and 18	19	83,512,612
20	Refundable credits from:		
a	Form 2439	20a	0
b	Form 4136	20b	0
c	Form 8827, line 8c	20c	0
d	Other (attach statement-- see instructions) STATEMENT 4	20d	-13,017,391
21	Total credits. Add lines 20a through 20d	21	-13,017,391
22	2018 net 965 tax liability from Form 965-B, Part I, column (d), line 2. See instructions	22	0
23	Total payments, credits, and section 965 net tax liability. Add lines 19, 21, and 22. Enter here and on page 1, line 33	23	70,495,221

Schedule K Other Information (see instructions)

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) _____	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. <input type="checkbox"/> 442299		
b	Business activity <input type="checkbox"/> RETAIL SALES		
c	Product or service <input type="checkbox"/> LINENS AND HOUSEWARES		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation <input type="checkbox"/>		X
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)		X
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G) . . .		X
5	At the end of the tax year, did the corporation:		
a	Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.	X	
(i) Name of Corporation		(ii) Employer Identification Number (if any)	(iii) Country of Incorporation
SEE STATEMENT ATTACHED			(iv) Percentage Owned in Voting Stock
			0.000
			0.000
			0.000
b	Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.	X	
(i) Name of Entity		(ii) Employer Identification Number (if any)	(iii) Country of Organization
BED BATH & BEYOND MEXICO S. DE R.L. DE C.V.		98-0581587	(iv) Maximum Percentage Owned in Profit, Loss, or Capital
			0.000
			0.000
			0.000
6	During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? See sections 301 and 316. If "Yes," file Form 5452, Corporate Report of Nondividend Distributions. See the instructions for Form 5452. If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.		X
7	At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of the total voting power of all classes of the corporation's stock entitled to vote or at least 25% of the total value of all classes of the corporation's stock? For rules of attribution, see section 318. If "Yes," enter: (a) Percentage owned <input type="checkbox"/> and (b) Owner's country <input type="checkbox"/> (c) The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached <input type="checkbox"/>		X
8	Check this box if the corporation issued publicly offered debt instruments with original issue discount. <input type="checkbox"/> If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.		
9	Enter the amount of tax-exempt interest received or accrued during the tax year <input type="checkbox"/> \$ 529,039		
10	Enter the number of shareholders at the end of the tax year (if 100 or fewer) <input type="checkbox"/>		
11	If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here (see instructions) <input type="checkbox"/> If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.		
12	Enter the available NOL carryover from prior tax years (do not reduce it by any deduction reported on page 1, line 29a.) <input type="checkbox"/> \$ 5,552,608		

Schedule K Other Information (continued from page 4)

	Yes	No
13 Are the corporation's total receipts (page 1, line 1a, plus lines 4 through 10) for the tax year and its total assets at the end of the tax year less than \$250,000?		X
If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶\$ 0		
14 Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement? See instructions	X	
If "Yes," complete and attach Schedule UTP.		
15a Did the corporation make any payments in 2018 that would require it to file Form(s) 1099?	X	
b If "Yes," did or will the corporation file all required Forms 1099?	X	
16 During this tax year, did the corporation have an 80% or more change in ownership, including a change due to redemption of its own stock?		X
17 During or subsequent to this tax year, but before the filing of this return, did the corporation dispose of more than 65% (by value) of its assets in a taxable, non-taxable, or tax deferred transaction?		X
18 Did the corporation receive assets in a section 351 transfer in which any of the transferred assets had a fair market basis or fair market value of more than \$1 million?		X
19 During the corporation's tax year, did the corporation make any payments that would require it to file Forms 1042 and 1042-S under chapter 3 (sections 1441 through 1464) or chapter 4 (sections 1471 through 1474) of the Code?		X
20 Is the corporation operating on a cooperative basis?		
21 During the tax year, did the corporation pay or accrue any interest or royalty for which the deduction is not allowed under section 267A? See instructions		
If "Yes," enter the total amount of the disallowed deductions ▶\$ 0		
22 Does the corporation have gross receipts of at least \$500 million in any of the 3 preceding tax years? (See sections 59A(e)(2) and (3))		
If "Yes," complete and attach Form 8991.		
23 Did the corporation have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions		
24 Does the corporation satisfy one of the following conditions and the corporation does not own a pass-through entity with current year, or prior year carryover, excess business interest expense? See instructions		
a The corporation's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year do not exceed \$25 million, and the corporation is not a tax shelter, or		
b The corporation only has business interest expense from (1) an electing real property trade or business, (2) an electing farming business, or (3) certain utility businesses under section 163(j)(7).		
If "No," complete and attach Form 8990.		
25 Is the corporation attaching Form 8996 to certify as a Qualified Opportunity Fund?		
If "Yes," enter amount from Form 8996, line 13 ▶\$ 0		

Schedule L Balance Sheets per Books

		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		321,724,187		412,507,825
2a	Trade notes and accounts receivable	129,488,959		81,722,573	
b	Less allowance for bad debts	(0)	129,488,959	(0)	81,722,573
3	Inventories		2,625,858,204		2,512,666,849
4	U.S. government obligations		0		0
5	Tax-exempt securities (see instructions)		0		0
6	Other current assets (attach statement)	STATEMENT 5	764,769,205	STATEMENT 10	764,171,932
7	Loans to shareholders		0		0
8	Mortgage and real estate loans		0		0
9	Other investments (attach statement)		0		0
10a	Buildings and other depreciable assets	4,815,527,512		5,118,886,075	
b	Less accumulated depreciation	(3,093,593,266)	1,721,934,246	(3,443,456,403)	1,675,429,672
11a	Depletable assets	0		0	
b	Less accumulated depletion	(0)	0	(0)	0
12	Land (net of any amortization)		151,218,997		144,626,002
13a	Intangible assets (amortizable only)	0		0	
b	Less accumulated amortization	(0)	0	(0)	0
14	Other assets (attach statement)	STATEMENT 6	1,188,273,177	STATEMENT 11	834,663,602
15	Total assets		6,903,266,975		6,425,788,455
Liabilities and Shareholders' Equity					
16	Accounts payable		1,065,961,067		985,887,625
17	Mortgages, notes, bonds payable in less than 1 year		1,501,542		3,318,744
18	Other current liabilities (attach statement)	STATEMENT 7	1,051,621,746	STATEMENT 12	579,935,053
19	Loans from shareholders		0		0
20	Mortgages, notes, bonds payable in 1 year or more		101,713,421		100,876,267
21	Other liabilities (attach statement)	STATEMENT 8	2,079,462,099	STATEMENT 13	2,694,945,699
22	Capital stock: a Preferred stock	0		0	
	b Common stock	2,296,230	2,296,230	2,304,100	2,304,100
23	Additional paid-in capital		2,057,938,960		2,118,636,704
24	Retained earnings - Appropriated (attach statement)		0		0
25	Retained earnings - Unappropriated		11,005,655,888		10,545,047,940
26	Adjustments to shareholders' equity (attach statement)	STATEMENT 9	5,088,391	STATEMENT 14	10,881,089
27	Less cost of treasury stock		(10,467,972,369)		(10,616,044,766)
28	Total liabilities and shareholders' equity		6,903,266,975		6,425,788,455

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: The corporation may be required to file Schedule M-3. See instructions.

1	Net income (loss) per books	0	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books	0		Tax-exempt interest \$	0
3	Excess of capital losses over capital gains	0			0
4	Income subject to tax not recorded on books this year (itemize):	0			0
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
a	Depreciation \$	0		a Depreciation \$	0
b	Charitable contributions \$	0		b Charitable contributions \$	0
c	Travel & entertainment \$	0			0
		0	9	Add lines 7 and 8	0
6	Add lines 1 through 5	0	10	Income (page 1, line 28) - line 6 less line 9	0

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year	11,005,655,888	5	Distributions: a Cash	0
2	Net income (loss) per books	-134,728,998		b Stock	319,921,810
3	Other increases (itemize):			c Property	0
		0	6	Other decreases (itemize): STATEMENT 15	5,957,140
4	Add lines 1, 2, and 3	10,870,926,890	7	Add lines 5 and 6	325,878,950
			8	Balance at end of year (line 4 less line 7)	10,545,047,940

Form **1125-A**

(Rev. November 2018)

Department of the Treasury
Internal Revenue Service**Cost of Goods Sold**

OMB No. 1545-0123

- ▶ Attach to Form 1120, 1120-C, 1120-F, 1120S, or 1065.
▶ Go to www.irs.gov/Form1125A for the latest information.

Name		Employer identification number	
Bed Bath & Beyond Inc. and Subsidiaries		[REDACTED]	
1	Inventory at beginning of year	1	2,700,252,851
2	Purchases	2	8,719,431,862
3	Cost of labor	3	0
4	Additional section 263A costs (attach schedule) STATEMENT 16	4	-5,086,011
5	Other costs (attach schedule) STATEMENT 17	5	-1,202,530,517
6	Total. Add lines 1 through 5	6	10,212,068,185
7	Inventory at end of year	7	2,512,666,849
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return. See instructions	8	7,699,401,336

9a Check all methods used for valuing closing inventory:

(i) ☒ Cost

(ii) ☐ Lower of cost or market

(iii) ☒ Other (Specify method used and attach explanation.) ▶ RETAIL METHOD

b Check if there was a writedown of subnormal goods ▶ ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶ ☐

d If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO. **9d** 0

e If property is produced or acquired for resale, do the rules of section 263A apply to the entity? See instructions ☒ Yes ☐ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation ☐ Yes ☒ No

For Paperwork Reduction Act Notice, see separate instructions.

Form **1125-A** (Rev. 11-2018)

ERF

SCHEDULE M-3
(Form 1120)Department of the Treasury
Internal Revenue Service**Net Income (Loss) Reconciliation for Corporations**
With Total Assets of \$10 Million or More

▶ Attach to Form 1120 or 1120-C.

▶ Go to www.irs.gov/Form1120 for instructions and the latest information.

OMB No. 1545-0123

2018

Name of corporation (common parent, if consolidated return)

Bed Bath & Beyond Inc. and Subsidiaries

Employer identification number

[REDACTED]

- Check applicable box(es): (1) ☐ Non-consolidated return (2) ☒ Consolidated return (Form 1120 only)
- (3) ☐ Mixed 1120/L/PC group (4) ☐ Dormant subsidiaries schedule attached

Part I Financial Information and Net Income (Loss) Reconciliation (see instructions)**1a** Did the corporation file SEC Form 10-K for its income statement period ending with or within this tax year?

- ☒ **Yes.** Skip lines 1b and 1c and complete lines 2a through 11 with respect to that SEC Form 10-K.
- ☐ **No.** Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared.

b Did the corporation prepare a certified audited non-tax-basis income statement for that period?

- ☐ **Yes.** Skip line 1c and complete lines 2a through 11 with respect to that income statement.
- ☐ **No.** Go to line 1c.

c Did the corporation prepare a non-tax-basis income statement for that period?

- ☐ **Yes.** Complete lines 2a through 11 with respect to that income statement.
- ☐ **No.** Skip lines 2a through 3c and enter the corporation's net income (loss) per its books and records on line 4a.

2a Enter the income statement period: Beginning 03 04 2018 Ending 03 02 2019**b** Has the corporation's income statement been restated for the income statement period on line 2a?

- ☐ **Yes.** (If "Yes," attach an explanation and the amount of each item restated.)
- ☒ **No.**

c Has the corporation's income statement been restated for any of the five income statement periods immediately preceding the period on line 2a?

- ☐ **Yes.** (If "Yes," attach an explanation and the amount of each item restated.)
- ☒ **No.**

3a Is any of the corporation's voting common stock publicly traded?

- ☒ **Yes.**
- ☐ **No.** If "No," go to line 4a.

b Enter the symbol of the corporation's primary U.S. publicly traded voting common stock

BBBY

c Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock

075896100

4a Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1	4a	-137,223,701
b Indicate accounting standard used for line 4a (see instructions): (1) <input checked="" type="checkbox"/> GAAP (2) <input type="checkbox"/> IFRS (3) <input type="checkbox"/> Statutory (4) <input type="checkbox"/> Tax-basis (5) <input type="checkbox"/> Other (specify) _____		
5a Net income from nonincludible foreign entities (attach statement)	5a	(3,565,942)
b Net loss from nonincludible foreign entities (attach statement and enter as a positive amount)	5b	6,060,645
6a Net income from nonincludible U.S. entities (attach statement)	6a	(0)
b Net loss from nonincludible U.S. entities (attach statement and enter as a positive amount)	6b	0
7a Net income (loss) of other includible foreign disregarded entities (attach statement)	7a	0
b Net income (loss) of other includible U.S. disregarded entities (attach statement)	7b	0
c Net income (loss) of other includible entities (attach statement)	7c	0
8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach statement)	8	0
9 Adjustment to reconcile income statement period to tax year (attach statement)	9	0
10a Intercompany dividend adjustments to reconcile to line 11 (attach statement)	10a	0
b Other statutory accounting adjustments to reconcile to line 11 (attach statement)	10b	0
c Other adjustments to reconcile to amount on line 11 (attach statement)	10c	0
11 Net income (loss) per income statement of includible corporations. Combine lines 4 through 10 Note. Part I, line 11, must equal Part II, line 30, column (a), and Schedule M-1, line 1 (see instructions).	11	-134,728,998

12 Enter the total amount (not just the corporation's share) of the assets and liabilities of all entities included or removed on the following lines.

	Total Assets	Total Liabilities
a Included on Part I, line 4	6,570,540,761	4,010,209,514
b Removed on Part I, line 5	170,796,248	57,063,155
c Removed on Part I, line 6	0	0
d Included on Part I, line 7	0	0

For Paperwork Reduction Act Notice, see the Instructions for Form 1120.

Schedule M-3 (Form 1120) 2018

ERF

F8.00.01

US20M3P1

Name of corporation (common parent, if consolidated return) Bed Bath & Beyond Inc. and Subsidiaries		Employer identification number [REDACTED]
Check applicable box(es): (1) <input checked="" type="checkbox"/> Consolidated group (2) <input type="checkbox"/> Parent corp (3) <input type="checkbox"/> Consolidated eliminations (4) <input type="checkbox"/> Subsidiary corp (5) <input type="checkbox"/> Mixed 1120/L/PC group		
Check if a sub-consolidated: (6) <input type="checkbox"/> 1120 group (7) <input type="checkbox"/> 1120 eliminations		
Name of subsidiary (if consolidated return)		Employer identification number

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

Income (Loss) Items (Attach statements for lines 1 through 12)	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1 Income (loss) from equity method foreign corporations	0	0	0	
2 Gross foreign dividends not previously taxed	0	98,318	0	98,318
3 Subpart F, QEF, and similar income inclusions		5,802	48,467	54,269
4 Gross-up for foreign taxes deemed paid		10,029	0	10,029
5 Gross foreign distributions previously taxed	0	0	0	
6 Income (loss) from equity method U.S. corporations	0	0	0	
7 U.S. dividends not eliminated in tax consolidation	0	980,480	0	980,480
8 Minority interest for includible corporations	0	0	0	
9 Income (loss) from U.S. partnerships	0	0	0	0
10 Income (loss) from foreign partnerships	2,088,041	2,533,669	0	4,621,710
11 Income (loss) from other pass-through entities	0	0	0	0
12 Items relating to reportable transactions	0	0	0	0
13 Interest income (see instructions)	10,890,897	-287,794	671,937	11,275,040
14 Total accrual to cash adjustment	0	0	0	0
15 Hedging transactions	0	0	0	0
16 Mark-to-market income (loss)	0	0	0	0
17 Cost of goods sold (see instructions)	(7,691,304,628)	-8,096,708	0	(7,699,401,336)
18 Sale versus lease (for sellers and/or lessors)	0	0	0	0
19 Section 481(a) adjustments		7,191,230	0	7,191,230
20 Unearned/deferred revenue	0	33,033,278	0	33,033,278
21 Income recognition from long-term contracts	0	0	0	0
22 Original issue discount and other imputed interest	0	0	0	0
23a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities	28,829,730	-28,829,730	0	
b Gross capital gains from Schedule D, excluding amounts from pass-through entities		39,165,392	0	39,165,392
c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses		-208,576	0	-208,576
d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses		411,653	0	411,653
e Abandonment losses		0	0	0
f Worthless stock losses (attach statement)		0	0	0
g Other gain/loss on disposition of assets other than inventory		0	0	0
24 Capital loss limitation and carryforward used		0	0	0
25 Other income (loss) items with differences (attach statement)	8,342,190,438	-6,811,365	0	8,335,379,073
26 Total income (loss) items. Combine lines 1 through 25	692,694,478	39,195,678	720,404	732,610,560
27 Total expense/deduction items (from Part III, line 39)	-3,903,778,856	411,962,337	138,610,258	-3,353,206,261
28 Other items with no differences	3,076,355,380			3,076,355,380
29a Mixed groups, see instructions. All others, combine lines 26 through 28	-134,728,998	451,158,015	139,330,662	455,759,679
b PC insurance subgroup reconciliation totals	0	0	0	0
c Life insurance subgroup reconciliation totals	0	0	0	0
30 Reconciliation totals. Combine lines 29a through 29c	-134,728,998	451,158,015	139,330,662	455,759,679

Note. Line 30, column (a), must equal Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Name of corporation (common parent, if consolidated return) Bed Bath & Beyond Inc. and Subsidiaries		Employer identification number [REDACTED]
Check applicable box(es): (1) <input checked="" type="checkbox"/> Consolidated group (2) <input type="checkbox"/> Parent corp (3) <input type="checkbox"/> Consolidated eliminations (4) <input type="checkbox"/> Subsidiary corp (5) <input type="checkbox"/> Mixed 1120/L/PC group		
Check if a sub-consolidated: (6) <input type="checkbox"/> 1120 group (7) <input type="checkbox"/> 1120 eliminations		
Name of subsidiary (if consolidated return)		Employer identification number

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return-Expense/Deduction Items (see instructions)

Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 U.S. current income tax expense	86,369,000	0	-86,369,000	
2 U.S. deferred income tax expense	0	0	0	
3 State and local current income tax expense	-104,469,171	0	113,153,041	8,683,870
4 State and local deferred income tax expense	0	0	0	
5 Foreign current income tax expense (other than foreign withholding taxes)	0	0	0	0
6 Foreign deferred income tax expense	0	0	0	
7 Foreign withholding taxes	0	-252,755	0	-252,755
8 Interest expense (see instructions)	81,477,771	0	440,222	81,917,993
9 Stock option expense	0	-7,863,583	0	-7,863,583
10 Other equity-based compensation	0	27,878,683	-47,950,830	-20,072,147
11 Meals and entertainment	3,567,406	0	-1,787,811	1,779,595
12 Fines and penalties	142,293	0	-142,293	0
13 Judgments, damages, awards, and similar costs	0	0	0	0
14 Parachute payments	0	0	0	0
15 Compensation with section 162(m) limitation	0	0	-10,289,295	-10,289,295
16 Pension and profit-sharing	11,549,816	417,018	0	11,966,834
17 Other post-retirement benefits	0	0	0	0
18 Deferred compensation	0	46,416,612	0	46,416,612
19 Charitable contribution of cash and tangible property	20,284,303	19,641,645	10,091,676	50,017,624
20 Charitable contribution of intangible property	0	0	0	0
21 Charitable contribution limitation/carryforward		0	0	0
22 Domestic production activities deduction (See instr.)		0	0	0
23 Current year acquisition or reorganization investment banking fees	0	0	25,246	25,246
24 Current year acquisition or reorganization legal and accounting fees	0	0	0	0
25 Current year acquisition/reorganization other costs	0	0	0	0
26 Amortization/impairment of goodwill	0	10,463,174	0	10,463,174
27 Amortization of acquisition, reorganization, and start-up costs	0	4,319,893	0	4,319,893
28 Other amortization or impairment write-offs	487,646,166	-340,601,689	-128,604,162	18,440,315
29 Reserved				
30 Depletion	0	0	0	0
31 Depreciation	350,636,734	-168,281,313	0	182,355,421
32 Bad debt expense	490,667	-567,141	0	-76,474
33 Corporate owned life insurance premiums	0	0	0	0
34 Purchase versus lease (for purchasers and/or lessees)	0	0	0	0
35 Research and development costs	0	0	0	0
36 Section 118 exclusion (attach statement)	0	0	0	0
37 Section 162(r)- FDIC premiums paid by certain large financial institutions (see instructions)	0	0	0	0
38 Other expense/deduction items with differences (attach statement) STATEMENT 22	2,966,083,871	-3,532,881	12,822,948	2,975,373,938
39 Total expense/deduction items. Combine lines 1 through 38. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive	3,903,778,856	-411,962,337	-138,610,258	3,353,206,261

Form **8827**
Department of the Treasury
Internal Revenue Service

**Credit for Prior Year Minimum Tax
Corporations**

OMB No. 1545-0123

2018

Attach to the corporation's tax return.

Name		Employer identification number
Bed Bath & Beyond Inc. and Subsidiaries		
Go to www.irs.gov/Form8827 for the latest information.		
1	Alternative minimum tax (AMT) for 2017. Enter the amount from line 14 of the 2017 Form 4626	1 0
2	Minimum tax credit carryforward from 2017. Enter the amount from line 9 of the 2017 Form 8827	2 26,349,017
3	Enter any 2017 unallowed qualified electric vehicle credit (see instructions)	3 0
4	Add lines 1, 2, and 3	4 26,349,017
5	Enter the corporation's 2018 regular income tax liability minus allowable tax credits (see instructions)	5 87,250,030
6	Enter the refundable minimum tax credit (see instructions)	6 0
7	Add lines 5 and 6	7 87,250,030
8a	Enter the smaller of line 4 or line 7. If the corporation had a post- 1986 ownership change or has pre- acquisition excess credits, see instructions	8a 26,349,017
b	Current year minimum tax credit. Enter the smaller of line 4 or line 5 here and on Form 1120, Schedule J, Part I, line 5d (or the applicable line of your return). If the corporation had a post- 1986 ownership change or has pre- acquisition excess credits, see instructions. If you made an entry on line 6, go to line 8c. Otherwise, skip line 8c.	8b 26,349,017
c	Subtract line 8b from line 8a. This is the current year refundable minimum tax credit. Include this amount on Form 1120, Schedule J, Part III, line 20c (or the applicable line of your return)	8c 0
9	Minimum tax credit carryforward to 2019. Subtract line 8a from line 4. Keep a record of this amount to carry forward and use in future years	9 0

EXHIBIT C



Department of the Treasury
Internal Revenue Service
Large Business & International
1719 Route 10
Parsippany, NJ 07054

20230930-DK-Butterfly-1, Inc.
(f/k/a Bed Bath & Beyond Inc.) and Subsidiaries
P.O. Box 1596
Union, NJ 07083

Date:
March 26, 2024
Taxpayer ID number (last 4 digits):
0488
Form:
1120-X
Tax period ended:
March 3, 2018
Amount claimed:
\$13,637,620.00
Date claim received:
12/19/2022
Person to contact:
Kimberly Spina
Employee ID number:
07-05172
Contact telephone number:
973-829-7445
Fax number:
877-538-2540
Response due date:
April 25, 2024

Dear Mr. Michael Goldberg,

We examined your claim and propose:

Full disallowance - as explained at the end of this letter. If you accept our findings, sign, date and return one copy of the enclosed Form 3363, Acceptance of Proposed Disallowance of Claim for Refund or Credit, and Form 2297, Waiver of Statutory Notification of Claim Disallowance. Note: If your claim involves a joint return, both taxpayers must sign the forms.

If you don't agree with our findings

You can contact the person shown above to request a meeting or telephone conference with me. If you still don't agree with our findings, you can request a conference with our Independent Office of Appeals (Appeals).

If the claimed refund or proposed change to tax, penalties or both is:

- \$25,000 or less for each referenced tax period; send us a letter requesting Appeals consideration that tells us what you don't agree with and the reasons why.
- More than \$25,000 for any referenced tax period; you must follow the instructions in the enclosed Publication 3498 to prepare a formal protest.

What we'll do if you don't reply by the response due date

We'll process your case based on the proposed findings and send you a statutory notice of claim disallowance. The notice will explain how to bring suit in court for the recovery of any tax, penalties, or other amounts. The law permits you to file suit within 2 years from the date we mail the notice.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Thank you for your cooperation.

Sincerely,



Digitally signed by Kimberly R.
Spina
Date: 2024.03.26 11:58:35 -04'00'

Kimberly Spina
Senior Internal Revenue Agent

Enclosures:

Form 3363

Form 2297

Publication 3498

Attachment: Memorandum on Disallowance

Reason for Disallowance:

On December 19, 2022, you filed a claim using Form 1120X for a refund of \$(13,637,620) for tax year 201802. As a result of our review, we have disallowed your claim. Please see the attached memo outlining the reasons for disallowance.

20230930-DK-Butterfly-1, Inc. (f/k/a Bed Bath & Beyond, Inc.) and Subsidiaries
EIN: [REDACTED]

Attachment:

Memorandum on Disallowance

For tax years ending March 3, 2018, (“TY 201802”) and March 2, 2019, (“TY 201902”) the Taxpayer (“TP”), formerly conducting business under the name “Bed Bath & Beyond, Inc.,”¹ filed Forms 1120, U.S. Corporation Income Tax Return, and claimed deductions for charitable contributions on Line 19 of Page 1. On these originally filed returns, TP claimed the enhanced contribution deduction under IRC § 170(e)(3) for contributions of inventory. The amount of contribution TP could claim was subject to the taxable income limitation under IRC § 170(b)(2).

On December 15, 2022, TP filed a Form 1120X, Amended U.S. Corporation Income Tax Return, for TY 201802. TP stated that based on Notice 2008-90 they “elect” to apply the enhanced deduction to some or all of their donations made during the taxable year. They indicated they are applying the “general section 170 rules” under Treas. Reg. § 1.170A-1(c)(4) so that the costs incurred in the year of contribution for inventory donated within the same taxable year will remain in Cost of Goods Sold (COGS) and thus be deducted under IRC § 162.

After the opening conference was held on March 9, 2023, TP notified the IRS that they also intend to file an amended return for TY 201912. The amended return was filed with similar changes to their charitable contribution deduction. The TP emailed the Form 1120X directly to the Team Coordinator on May 25, 2023. TP included the same explanation of changes to their computation of the deduction for charitable contributions with the 201902 amended return as was included with the 201802 amended return.

The IRS believes that TP irrevocably elected the enhanced method for computing the charitable contribution deduction under IRC § 170(e)(3). Elective choices are binding after the period for filing expires and can only be changed thereafter with the consent of the Commissioner (*Pacific Nat’l Co. v. Welch*, 304 U.S. 191 (1938)).

Under the judicial doctrine of election as stated by the Tax Court in *Grynberg v. Commissioner*, 83 T.C. 255 (1984), an election has been made when two elements are met: (1) there must be a free choice between two or more alternatives, and (2) there must an overt act by the taxpayer communicating the choice. The facts prove that TP met both elements of the election doctrine. TP computed and claimed the enhanced contribution deduction on their originally filed returns for both tax years ending March 3, 2018, and March 2, 2019. This is evidenced by the filing of Form 8283 claiming the enhanced contribution deduction.

¹ On September 21, 2023, the Taxpayer changed their corporate name from “Bed Bath & Beyond, Inc.” to “20230930-DK-Butterfly-1, Inc.,” and such change is reflected in an amendment filing to their certificate of incorporation.

20230930-DK-Butterfly-1, Inc. (f/k/a Bed Bath & Beyond, Inc.) and Subsidiaries

EIN: [REDACTED]

Attachment:

Memorandum on Disallowance

Grynberg lays out examples of arguments that are not valid exceptions to the irrevocability of elections. Among others, the Tax Court listed oversight, poor judgment, unawareness of tax consequences of making an election, and unexpected subsequent events to be insufficient arguments to mitigate the binding effect of elections. An unexpected subsequent event such as loss of profits, changes in consumer trends, and bankruptcy are determined to be insufficient reasons for allowing a change in election. TP made an election to compute the deduction under the enhanced contribution method and are requesting to undo their election. However, the Tax Court has ruled that an "election" cannot be revoked on an amended return after the filing deadline for the original return has passed (see *Alabama Pipe Co. v. Commissioner*, 23 T.C. 95 (1954), regarding irrevocability of an election under section 170(a)(2)).

In addition, TP failed to submit a sufficient claim for refund as required by Treas. Reg. § 301.6402-2(b)(1). Under IRC § 170(e)(1) and Treas. Reg. § 170A-1(c)(4), a taxpayer can claim the cost basis of donated inventory as COGS only when the inventory is produced or acquired in the same taxable year as it was donated. TP's explanatory letter did not include sufficient facts of the exact basis for the refund because they failed to establish that the charitable contributions in 201802 and 201902 for which they now seek to deduct as COGS on amended returns were current-year acquisitions. The TP filed Forms 8283 with their originally filed tax returns for both 201802 and 201902 that listed "VARIOUS" in Section B, Part I, Section 5, Column d as the "date acquired by the donor." With the absence of any additional information included on the form, or with the amended return, the Service must revert to the form instructions where it states, "if you are donating a group of similar items and you acquired the items on various dates (but have held all the items for at least 12 months), you can enter 'Various.'" Based on the TP's submission on Form 8283, the word "various" must be interpreted as items donated that have been held for longer than 12 months. Thus, even if Notice 2008-90 was applicable, it would not produce the effects that TP claims on their amended returns.

TP made irrevocable elections on their originally filed returns to apply the enhanced method for computing the deductions for their charitable contributions of inventory. The two-prong criteria for applying election doctrine are satisfied in this case and the TP does not meet any of the exceptions that would allow them to change their election on an amended return. TP did not submit a sufficient claim for refund because they failed to state facts demonstrating that the contributions were current-year acquisitions. For the reasons set forth above, the claims filed on Forms 1120X for years ending March 3, 2018, and March 2, 2019, are denied.



Department of the Treasury
Internal Revenue Service
Large Business & International
1719 Route 10
Parsippany, NJ 07054

20230930-DK-Butterfly-1, Inc.
(f/k/a Bed Bath & Beyond Inc.) and Subsidiaries
P.O. Box 1596
Union, NJ 07083

Date:
March 26, 2024
Taxpayer ID number (last 4 digits):
0488
Form:
1120-X
Tax period ended:
March 2, 2019
Amount claimed:
\$9,352,953.00
Date claim received:
05/25/2023
Person to contact:
Kimberly Spina
Employee ID number:
07-05172
Contact telephone number:
973-829-7445
Fax number:
877-538-2540
Response due date:
April 25, 2024

Dear Mr. Michael Goldberg,

We examined your claim and propose:

Full disallowance - as explained at the end of this letter. If you accept our findings, sign, date and return one copy of the enclosed Form 3363, Acceptance of Proposed Disallowance of Claim for Refund or Credit, and Form 2297, Waiver of Statutory Notification of Claim Disallowance. Note: If your claim involves a joint return, both taxpayers must sign the forms.

If you don't agree with our findings

You can contact the person shown above to request a meeting or telephone conference with me. If you still don't agree with our findings, you can request a conference with our Independent Office of Appeals (Appeals).

If the claimed refund or proposed change to tax, penalties or both is:

- \$25,000 or less for each referenced tax period; send us a letter requesting Appeals consideration that tells us what you don't agree with and the reasons why.
- More than \$25,000 for any referenced tax period; you must follow the instructions in the enclosed Publication 3498 to prepare a formal protest.

What we'll do if you don't reply by the response due date

We'll process your case based on the proposed findings and send you a statutory notice of claim disallowance. The notice will explain how to bring suit in court for the recovery of any tax, penalties, or other amounts. The law permits you to file suit within 2 years from the date we mail the notice.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Thank you for your cooperation.

Sincerely,



Digitally signed by Kimberly R.
Spina
Date: 2024.03.26 12:15:46 -04'00'

Kimberly Spina
Senior Internal Revenue Agent

Enclosures:

Form 3363

Form 2297

Publication 3498

Attachment: Memorandum on Disallowance

Reason for Disallowance:

On May 25, 2023 you filed a claim using Form 1120X for a refund of \$(9,352,953) for tax year 201902. As a result of our review, we have disallowed your claim. Please see the attached memo outlining the reasons for disallowance.

20230930-DK-Butterfly-1, Inc. (f/k/a Bed Bath & Beyond, Inc.) and Subsidiaries
EIN: [REDACTED]

Attachment:

Memorandum on Disallowance

For tax years ending March 3, 2018, (“TY 201802”) and March 2, 2019, (“TY 201902”) the Taxpayer (“TP”), formerly conducting business under the name “Bed Bath & Beyond, Inc.,”¹ filed Forms 1120, U.S. Corporation Income Tax Return, and claimed deductions for charitable contributions on Line 19 of Page 1. On these originally filed returns, TP claimed the enhanced contribution deduction under IRC § 170(e)(3) for contributions of inventory. The amount of contribution TP could claim was subject to the taxable income limitation under IRC § 170(b)(2).

On December 15, 2022, TP filed a Form 1120X, Amended U.S. Corporation Income Tax Return, for TY 201802. TP stated that based on Notice 2008-90 they “elect” to apply the enhanced deduction to some or all of their donations made during the taxable year. They indicated they are applying the “general section 170 rules” under Treas. Reg. § 1.170A-1(c)(4) so that the costs incurred in the year of contribution for inventory donated within the same taxable year will remain in Cost of Goods Sold (COGS) and thus be deducted under IRC § 162.

After the opening conference was held on March 9, 2023, TP notified the IRS that they also intend to file an amended return for TY 201912. The amended return was filed with similar changes to their charitable contribution deduction. The TP emailed the Form 1120X directly to the Team Coordinator on May 25, 2023. TP included the same explanation of changes to their computation of the deduction for charitable contributions with the 201902 amended return as was included with the 201802 amended return.

The IRS believes that TP irrevocably elected the enhanced method for computing the charitable contribution deduction under IRC § 170(e)(3). Elective choices are binding after the period for filing expires and can only be changed thereafter with the consent of the Commissioner (*Pacific Nat’l Co. v. Welch*, 304 U.S. 191 (1938)).

Under the judicial doctrine of election as stated by the Tax Court in *Grynberg v. Commissioner*, 83 T.C. 255 (1984), an election has been made when two elements are met: (1) there must be a free choice between two or more alternatives, and (2) there must an overt act by the taxpayer communicating the choice. The facts prove that TP met both elements of the election doctrine. TP computed and claimed the enhanced contribution deduction on their originally filed returns for both tax years ending March 3, 2018, and March 2, 2019. This is evidenced by the filing of Form 8283 claiming the enhanced contribution deduction.

¹ On September 21, 2023, the Taxpayer changed their corporate name from “Bed Bath & Beyond, Inc.” to “20230930-DK-Butterfly-1, Inc.,” and such change is reflected in an amendment filing to their certificate of incorporation.

20230930-DK-Butterfly-1, Inc. (f/k/a Bed Bath & Beyond, Inc.) and Subsidiaries

EIN: [REDACTED]

Attachment:

Memorandum on Disallowance

Grynberg lays out examples of arguments that are not valid exceptions to the irrevocability of elections. Among others, the Tax Court listed oversight, poor judgment, unawareness of tax consequences of making an election, and unexpected subsequent events to be insufficient arguments to mitigate the binding effect of elections. An unexpected subsequent event such as loss of profits, changes in consumer trends, and bankruptcy are determined to be insufficient reasons for allowing a change in election. TP made an election to compute the deduction under the enhanced contribution method and are requesting to undo their election. However, the Tax Court has ruled that an "election" cannot be revoked on an amended return after the filing deadline for the original return has passed (see *Alabama Pipe Co. v. Commissioner*, 23 T.C. 95 (1954), regarding irrevocability of an election under section 170(a)(2)).

In addition, TP failed to submit a sufficient claim for refund as required by Treas. Reg. § 301.6402-2(b)(1). Under IRC § 170(e)(1) and Treas. Reg. § 170A-1(c)(4), a taxpayer can claim the cost basis of donated inventory as COGS only when the inventory is produced or acquired in the same taxable year as it was donated. TP's explanatory letter did not include sufficient facts of the exact basis for the refund because they failed to establish that the charitable contributions in 201802 and 201902 for which they now seek to deduct as COGS on amended returns were current-year acquisitions. The TP filed Forms 8283 with their originally filed tax returns for both 201802 and 201902 that listed "VARIOUS" in Section B, Part I, Section 5, Column d as the "date acquired by the donor." With the absence of any additional information included on the form, or with the amended return, the Service must revert to the form instructions where it states, "if you are donating a group of similar items and you acquired the items on various dates (but have held all the items for at least 12 months), you can enter 'Various.'" Based on the TP's submission on Form 8283, the word "various" must be interpreted as items donated that have been held for longer than 12 months. Thus, even if Notice 2008-90 was applicable, it would not produce the effects that TP claims on their amended returns.

TP made irrevocable elections on their originally filed returns to apply the enhanced method for computing the deductions for their charitable contributions of inventory. The two-prong criteria for applying election doctrine are satisfied in this case and the TP does not meet any of the exceptions that would allow them to change their election on an amended return. TP did not submit a sufficient claim for refund because they failed to state facts demonstrating that the contributions were current-year acquisitions. For the reasons set forth above, the claims filed on Forms 1120X for years ending March 3, 2018, and March 2, 2019, are denied.